House Committee on Agriculture
Farm Bill Audit

1. Program Name

Conservation Reserve Program (CRP)
Prepared by the U.S. Department of Agriculture's (USDA) Farm Service Agency (FSA)

2. Subprograms/Department Initiatives

FSA enters into contracts with agricultural producers to retire highly erodible and other environmentally sensitive land. During the 10- to 15-year contract period, eligible land is converted to grass, trees, wildlife cover, or other conservation uses to improve soil, air, and water quality and improve wildlife habitat. The program was initially authorized by the 1985 Farm Bill and amended by every subsequent Farm Bill.

FSA is responsible for overall implementation and has entered into agreements for technical assistance with the Natural Resources Conservation Service (NRCS), the Forest Service acting on behalf of State Foresters, and other technical service providers. Participants receive annual rental payments and half the cost of establishing conservation covers.

Since the 1985 Farm Bill, CRP has evolved from a program with a commodity supply control component to a conservation program that has increasingly focused or targeted limited program resources.

General Signup

Producers may offer land for CRP general sign-up enrollment during designated signup periods and all offers compete and are ranked against all other offers nationwide using an Environmental Benefit Index (EBI) which is used to rank offers based on a number of environmental factors and cost.

Continuous Signup

Continuous signup targets environmentally-desirable land which could be devoted to conservation practices such as filter strips, grass waterways, and other practices that protect larger acreages. Offers may be made at any time.

Conservation Reserve Enhancement Program (CREP)

CREP is a State and Federal partnership to address environmental issues of importance to the State and Nation. CREP combines State and Federal dollars with funding from nongovernment sources and provides a framework for USDA to work closely with State, tribal, and local governments to address specific environmental issues and goals.

Farmable Wetlands Program (FWP)

FWP is designed to restore up to one million acres of farmable wetlands and associated buffers by improving the land's hydrology and vegetation. This includes constructed wetlands developed to receive flow for row-crop agriculture drainage systems for the purpose of providing nitrogen removal; land that was devoted to commercial pond-raised aquaculture; and cropland that was subject to the natural overflow of a prairie wetland.

Transition Incentive Program (TIP)
TIP is designed to facilitate the transition of expiring CRP land from a retired or retiring owner or operator to a beginning or socially disadvantaged farmer or rancher to return the land to production for sustainable grazing or crop production. TIP provides annual rental payments for up to two additional years after the expiration of the CRP contract to facilitate this transition.

Emergency Forestry Conservation Reserve Program (EFCRP)
EFCRP was designed to help restore and enhance forest resources that were damaged by the 2005 hurricanes. By planting trees, such as longleaf pine and bottomland hardwoods, landowners and operators could enhance wildlife habitat and improve the ability of at-risk land to withstand future storms. Enrollment for EFCRP ended in January 2009.

Wetland Restoration Floodplain Initiative
This initiative was designed to restore the functions and values of wetland ecosystems that have been devoted to agricultural use. This 500,000-acre initiative enrolls wetlands and buffers within a 100-year floodplain. These wetlands prevent degradation of the wetland area, increase sediment trapping efficiencies, improve water quality, prevent erosion and provide vital habitat for waterfowl and other wildlife.

Wetland Restoration Non-Floodplain Initiative
This initiative restores wetlands and playa lakes, which are shallow, depressional wetlands that are located outside a 100-year floodplain. This 250,000-acre initiative provides vital habitat for many wildlife species, filters runoff, recharges groundwater supplies and sequesters carbon.

Bottomland Hardwood Initiative
This initiative is designed to restore flood plains through the restoration of primarily bottomland hardwoods. This 250,000-acre initiative improves air and water quality and provides carbon sequestration benefits through reduction of greenhouse gases as well as increasing wildlife habitat.

Quail Initiative
This 350,000-acre initiative is designed to create habitat for the northern bobwhite quail and other grassland dependent birds. Bobwhite populations have declined with their habitat disappearing due to urbanization, increased grassland cultivation, and succession. This initiative provides successional grass buffers along agricultural field borders.

Longleaf Pine Initiative
This 250,000-acre initiative is designed to restore and re-establish longleaf pine stands that benefit wildlife species and protect water quality.

Duck Nesting Habitat Initiative
This 150,000-acre initiative is designed to restore wetlands located outside the 100-year floodplain in Iowa, Minnesota, Montana, North Dakota, and South Dakota. Restoring these wetlands will provide nesting ducks with critical habitat, nesting cover, security from predators, and food.

State Acres for Wildlife Enhancement Initiative (SAFE)

SAFE is an 850,000-acre initiative designed to target high priority State and regional wildlife objectives. SAFE provides the flexibility to meet the specific needs of high-value wildlife species in a participating State or region by targeting the restoration of vital habitat.

3. Brief History

Title XII of the Food Security Act of 1985, as amended (1985 Farm Bill), authorized CRP to enroll 40 to 45 million acres by 1990 with a primary goal of reducing soil erosion on highly erodible cropland. Secondary objectives included protecting the nation's long-run capability to produce food and fiber, reducing sedimentation, improving water quality, fostering wildlife habitat, curbing production of surplus commodities, and providing income support for farmers.

The Food, Agriculture, Conservation, and Trade Act of 1990 (1990 Farm Bill) extended CRP through 1995 and expanded the types of land eligible for enrollment to include lands that could reduce on-site or off-site threats to water quality if removed from production. Following 1990 Farm Bill enactment, FSA adopted new rental rates based on soil-specific productivity and developed an EBI to rank offers.

The Federal Agriculture Improvement and Reform Act of 1996 (1996 Farm Bill) re-authorized CRP enrollment through 2002 and set a maximum enrollment of 36.4 million acres. After 1996 Farm Bill enactment, FSA modified the EBI to include a wildlife benefits component. To better target the program, FSA began enrollment of selected practices such as filter strips and riparian buffers on a continuous basis without competition which included an incentive payment to encourage enrollment. In 1997, FSA created CREP which furthered targeting through State-Federal conservation partnerships that address specific State and nationally significant water quality, soil erosion, and wildlife habitat concerns related to agriculture. Additional incentives are generally provided. An up-front signing payment and a practice incentive payment were established in 2000 to further enhance continuous enrollment, including CREP.

The 2001 agriculture appropriations act authorized FWP which provided for non-competitive enrollment under continuous sign-up provisions and incentives for up to 500,000 acres of small non-flood plain wetlands and adjacent uplands in 6 States (Nebraska, Iowa, Minnesota, North Dakota, South Dakota, and Montana). Enrollment was limited to 100,000 acres per State.

The Farm Security and Rural Investment Act of 2002 (2002 Farm Bill) extended CRP enrollment authority through 2007 and increased the enrollment cap by 2.8 million acres to 39.2 million acres. An administrative requirement that cropland must have been recently cropped was added by the 2002 Farm Bill to require that cropland must have been cropped or considered cropped in at least 4 of the 6 years preceding enactment. The 2002 Farm Bill also generally authorized managed harvesting of forage, expanded FWP from the original six States to all States, and raised the enrollment cap to 1 million acres while keeping the 100,000-acre State maximum.

During 2006, FSA offered CRP participants the opportunity to re-enroll or extend contracts set to expire between 2007 and to 2010 on about 28 million acres. FSA ranked the acreage based on the EBI score when the land was enrolled. The highest ranked were offered new 10- or 15-year contracts. Lower ranking contracts were offered extensions of 2-5 years depending upon the relative ranking. This preserved farmers' ability to protect America's most sensitive agricultural lands. Holders of about 82 percent of expiring contract acres were approved for re-enrollment or extension.

The 2006 supplemental emergency appropriations act authorized the EFCRP to provide assistance to timberland damaged by the 2005 hurricanes. Acreage enrolled does not count against the CRP enrollment cap.

The Food, Conservation, and Energy Act of 2008 (2008 Farm Bill) extended CRP enrollment authority through September 30, 2012, and required that enrollment be no more than 32 million acres beginning October 1, 2009. Other changes included:

- Expansion of practices under FWP;
- 50-percent cost-share for tree thinning activities;
- New payment limitation applicability and adjusted gross income eligibility criteria;
- Updated cropping history to 4 of 6 years between 2002 and 2007;
- Added new routine grazing authority;
- Added TIP; and
- Added authority to exclude continuous and CREP acreage from the 25 percent county cropland enrollment limit.

4. Purpose/Goals

CRP's purpose is "to assist owners and operators of land to conserve and improve the soil, water, and wildlife resources of such land and to address issues raised by State, regional, and national conservation initiatives."

5. Success in Meeting Programmatic Purpose/Goals

CRP environmental benefits include:

Total Land Enrolled and Land Enrolled in Certain Categories

		Fiscal Year (FY)				
Measure	**Unit**	**2006**	**2007**	**2008**	**2009**	**2010**
Total Land Enrolled	million acres	36.0	36.8	34.6	33.8	31.3
In Buffers	million acres	1.84	1.90	2.00	2.01	2.02
Wetlands	million acres	2.01	2.06	1.98	1.98	2.05
HEL / 1	million acres	25.2	25.5	23.6	22.8	20.5

/ 1 HEL means highly erodible land.

Reductions (not leaving field or intercepted by buffers)

Sediment	million tons	210	216	219	220	220
Nitrogen	million lbs	607	623	616	611	607
Phosphorus	million lbs	121	124	123	123	122

Greenhouse Gas Reduction (Carbon Dioxide (CO_2) equivalent/Year)

CO2 sequestered	million metric tons	51	50	48	47	44
Energy and Fertilizer	million metric tons	9	9	9	8	8
Total	million metric tons	60	60	57	55	52

CRP improves water quality.

- CRP reduces the nitrogen and phosphorus leaving a field by runoff and percolation. Using models developed by the Food and Agricultural Policy Research Institute (FAPRI), in FY 2010, 607 million pounds less nitrogen and 122 million pounds less phosphorus left fields due to CRP, which accounted for 95 and 86 percent reductions, respectively, as compared to cropped land conditions in 2005/2006.
- Grass filters and riparian buffers (partial field enrollments) intercept sediment, nutrients, and other contaminants before they enter waterways. FAPRI's model estimates that in 2010, 356 million pounds of nitrogen and 72 million pounds of phosphorus were intercepted by 2.0 million acres of CRP buffers, nationally.
- In 2010, grass and tree plantings reduced nitrate loss by 109 million pounds. Nitrate is a form of nitrogen that is biologically available to algae. Excess nitrate contributes to the formation of hypoxic zones in the Gulf of Mexico, Chesapeake Bay, and other waters.
- Wetlands restored and constructed by CRP improve water quality by converting nitrate/nitrogen into benign atmospheric nitrogen. In 2010, Iowa's 65 CREP constructed wetland projects on 1,808 acres reduced nitrate runoff by nearly 650,000 pounds.

CRP enhances wildlife habitat. The 31.3 million acres of grass, trees, and wetlands established by CRP benefit numerous wildlife species. Several independent studies have identified benefits to multiple bird populations including:

- **Prairie Pothole Ducks –** Researchers from the U.S. Fish and Wildlife Service (USFWS) estimated that the CRP contributed to a net increase of about 2 million additional ducks per year (30 percent increase in duck production) since 1992 in North Dakota, South Dakota, and Northeastern Montana. Populations fluctuate on a year-to-year basis due to differences in precipitation patterns.
- **Ringed-Neck Pheasants –** Western EcoSystems Technology, Inc., found that, in prime pheasant habitat, a 4 percent increase in CRP herbaceous vegetation was associated with a 22 percent increase in pheasant counts.
- **Sage Grouse –** The Washington Department of Natural Resources found that CRP enrollment was associated with halting a decline (25 percent between 1970 – 1988) in sage grouse populations. The study found that a region without substantial CRP enrollment had continued sage grouse population decline.
- **Northern Bobwhite Quail –** Mississippi State University found that quail observations were positively related to CRP enrollment. The quail population response varies by cover and region.
- **Grassland Birds –** The CRP was identified as a "Reason for Hope" for grassland birds in the 2009 "State of the Birds" report, which documented serious declines in grassland birds. Researchers from the United States Fish and Wildlife Service, U.S. Geological Survey, and the University of Montana found that CRP had a large impact on grassland bird populations, including two birds designated as species of continental importance by Partners in Flight.

CRP sequesters carbon. CRP sequesters more carbon on private lands than any other federally administered program. In 2010, CRP resulted in the equivalent of a 52 million metric ton net reduction in carbon dioxide (CO_2) from CO_2 sequestration, reduced fuel use, and nitrous oxide emissions avoided from not applying fertilizer. Carbon sequestration helps offset the release of greenhouse gases (GHG) into the atmosphere. GHG have been associated with anthropogenic climate change.

CRP protects and enhances soil productivity. CRP conservation covers reduce erosion and protect soil productivity. By targeting fragile cropland and placing these lands into protective conservation covers, the CRP greatly reduces sheet, rill, and wind soil erosion. Each year since 2002, CRP reduced soil erosion by 325 million tons or more from pre-CRP levels. Since 1986, CRP has reduced more than 8 billion tons of soil erosion. (**Note:** Erosion rates and total sediment provided at the beginning of this section are not comparable measurements because erosion includes the rate of soil loss through wind and water erosion.)

CRP reduces downstream flood damage. CRP lands reduce downstream flood damage by helping to reduce peak flows after storm events by holding and slowly releasing the storm water.

FSA is using CRP enrollment data, the USDA soils and natural resource inventories, and cooperative agreements with Federal, State, and other partners to refine these performance measures and to estimate the benefits from CRP. For more information see: http://www.fsa.usda.gov/FSA/webapp?area=home&subject=ecpa&topic=nra.

Other sources of information related to the topics discussed above include the following:
http://www.fsa.usda.gov/Internet/FSA_File/factsheet_crp_bennies.pdf
http://www.fsa.usda.gov/FSA/webapp?area=home&subject=ecpa&topic=nra
http://www.fsa.usda.gov/Internet/FSA_File/duck_report.pdf
http://www.fsa.usda.gov/Internet/FSA_File/pheasant_study.pdf
http://www.fsa.usda.gov/Internet/FSA_File/sage_grouse.pdf
http://www.fsa.usda.gov/Internet/FSA_File/quail_study.pdf
http://www.fsa.usda.gov/Internet/FSA_File/grassland_birds_fws.pdf
http://www.stateofthebirds.org/2009/habitats/game-birds
http://www.fsa.usda.gov/Internet/FSA_File/fyannual2009.pdf
http://www.fsa.usda.gov/Internet/FSA_File/606586_hr.pdf

6. Annual Budget Authority (FY 2002 – FY 2011)

	FY 2002 Through FY 2011 Budget Authority									
	(Dollars in thousands)									
	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Estimated
Conservation Reserve Program	$1,784,665	$1,788,852	$1,798,522	$1,863,004	$1,930,723	$1,948,248	$1,990,178	$1,933,660	$1,910,630	$1,997,496
Emergency Forestry Conservation Reserve Program	0	0	0	0	5,500	6,060	9,944	9,881	8,297	9,291

7. Annual Outlays (FY 2002 – FY 2011)

CRP is funded by Commodity Credit Corporation (CCC). Budget authority for CCC programs is based on obligations. Funds that are obligated in one fiscal year may not be disbursed until a succeeding fiscal year or fiscal years.

	FY 2002 Through FY 2011 Outlays (Dollars in thousands)									
	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Estimated
Conservation Reserve Program	$1,785,059	$1,789,258	$1,800,675	$1,828,470	$1,895,872	$1,963,161	$1,990,867	$1,916,468	$1,910,630	$1,997,496
Emergency Forestry Conservation Reserve Program	0	0	0	0	5,500	6,060	9,524	9,846	8,297	9,291

8. Annual Delivery Cost (FY 2007 – FY 2011)

Annual delivery cost is reported consistent with the President's 2012 Budget and USDA's Strategic Plan:

Department Strategic Goal: Ensure our national forests and private working lands are conserved, restored, and made more resilient to climate change, while enhancing our resources.

PROGRAM	PROGRAM ITEMS	FY 2007 Amount ($000)	FY 2008 Amount ($000)	FY 2009 Amount ($000)	FY 2010 Amount ($000)	FY 2011 Amount ($000)
	Conservation					
	Conservation Reserve Program	974,124	1,990,178	1,872,881	1,910,630	1,997,496
	Grassroots Source Water Protection Program	1,856	3,687	5,000	5,000	5,000
/1	State Mediation Grants	526	1,092	1,092	1,092	1,092
/1	Direct Conservation Loans	0	0	0	114	1,065
/1	Guaranteed Conservation Loans	0	0	0	1	278
/2	Other Conservation Payments	4,600	3,247	46	-4	33,334
	Administrative costs (direct)	107,118	240,070	256,932	278,940	278,825
	Indirect costs	9,773	82,642	63,352	68,779	72,804
	Total Costs	1,097,997	2,320,916	2,199,303	2,264,552	2,389,894
	FTEs	1,228	3,023	2,015	2,928	2,885

Department Strategic Goal: Assist rural communities to create prosperity so they are self-sustaining, repopulating, and economically thriving.

PROGRAM	PROGRAM ITEMS	FY 2007 Amount ($000)	FY 2008 Amount ($000)	FY 2009 Amount ($000)	FY 2010 Amount ($000)	FY 2011 Amount ($000)
	Income Support and Disaster Assistance					
/ 3	Emergency Conservation Program	149,727.00	128,456.00	0.00	92,459.00	39,719.00
	Administrative costs (direct)	776,465.00	683,795.00	694,980.00	744,303.00	753,934.00
	Indirect costs	47,548.00	234,633.00	226,905.00	242,967.00	246,299.00
	Total Costs	**973,740.00**	**1,046,884.00**	**921,885.00**	**1,079,729.00**	**1,039,952.00**
	FTEs	8,905.00	8,620.00	9,528.75	8,355.00	8,140.00
	Conservation					
/ 3	Emergency Conservation Program	0	0	153,044.00	0	0
	Administrative costs (direct)	0	0	8,344.00	0	0
	Indirect costs	0	0	0.00	0	0
	Total Costs	**0.00**	**0.00**	**161,388.00**	**0.00**	**0.00**
	FTEs	0.00	0.00	0.25	0.00	0.00

/ 1 FSA has programs related to supporting the conservation goal that are not part of the specific request.
/ 2 Grassland Reserve Program (GRP) payments are reported by NRCS for budget purposes. FSA administrative costs related to GRP and Voluntary Public Access and Habitat Incentive Program are included.
/ 3 The information related to the Emergency Conservation Program (ECP) is reported as an emergency program under Goal 1. We have broken out the program information but the administrative costs relate to all programs for the Income Support and Disaster Assistance Goal.

9. Eligibility Criteria

Eligible Producers

An eligible producer must have owned or operated eligible land for at least 12 months prior to enrollment. In cases where the land was not acquired to enroll in the CRP, a waiver may be authorized.

Eligible Land

Land that may be offered includes cropland that is planted or considered planted to an agricultural commodity 4 of the 6 crop years from 2002 through 2007, and is physically and legally capable of being planted in a normal manner to an agricultural commodity.

For continuous signup, land may be certain marginal pasture land.

Additional Cropland Requirements

In addition to cropping history, for general signup, cropland must meet one of the following:

- Have a weighted average erosion index of 8 or greater;
- Be expiring CRP acreage or;
- Be located in a national or State CRP conservation priority area.

10. Utilization (Participation) Data

- Total enrollment of 31.31 million acres in 750,000 contracts on 416,000 farms.
- Consists of 26.2 million acres in 338,000 contracts on 222,000 farms in general signup enrollment and 5.0 million acres in 412,000 contracts on 239,000 farms.

CRP ENROLLMENT BY STATE AS OF APRIL 2011

STATE	NUMBER OF CONTRACTS	NUMBER OF FARMS	ACRES	ANNUAL RENTAL PAYMENTS ($1,000)	ANNUAL RENTAL PAYMENTS ($/ACRE)
U.S.	749,913	415,953	31,213,510	1,720,354	55.12
ALABAMA	9,108	6,488	398,166	18,286	45.93
ALASKA	45	28	19,037	671	35.25
ARKANSAS	5,956	3,289	250,780	14,971	59.70
CALIFORNIA	506	390	124,510	4,712	37.84
COLORADO	12,744	6,125	2,251,395	74,324	33.01
CONNECTICUT	16	13	163	13	78.44
DELAWARE	666	349	6,850	754	110.13
FLORIDA	1,318	1,067	56,382	2,262	40.12
GEORGIA	9,069	6,440	318,782	14,973	46.97
HAWAII	9	9	167	10	57.64
IDAHO	5,200	2,960	668,317	29,619	44.32
ILLINOIS	82,044	44,833	1,035,931	118,474	114.36
INDIANA	38,168	21,360	286,447	31,196	108.91
IOWA	106,489	53,422	1,673,364	214,169	127.99
KANSAS	47,139	26,794	2,738,960	109,973	40.15
KENTUCKY	17,649	9,459	360,295	40,039	111.13
LOUISIANA	5,036	3,210	327,661	20,172	61.56
MAINE	679	472	17,972	931	51.83
MARYLAND	6,427	3,518	79,041	10,891	137.78
MASSACHUSETTS	4	4	15	3	172.53
MICHIGAN	15,185	8,695	229,140	20,198	88.15
MINNESOTA	63,002	33,112	1,640,921	110,574	67.39
MISSISSIPPI	19,808	12,458	850,134	40,870	48.07
MISSOURI	36,459	21,063	1,364,524	101,211	74.17
MONTANA	15,257	5,982	2,863,105	92,025	32.14
NEBRASKA	28,306	15,872	1,081,185	65,850	60.91
NEW HAMPSHIRE	5	5	58	3	55.46
NEW JERSEY	275	194	2,449	170	69.29
NEW MEXICO	1,978	1,283	453,819	15,221	33.54
NEW YORK	2,866	2,032	53,136	3,713	69.87
NORTH CAROLINA	8,076	5,263	117,457	8,049	68.53
NORTH DAKOTA	34,254	16,766	2,650,455	95,825	36.15
OHIO	38,008	21,227	343,596	40,952	119.19
OKLAHOMA	7,500	5,074	861,360	28,902	33.55
OREGON	4,279	2,253	551,279	28,710	52.08
PENNSYLVANIA	12,115	7,625	220,750	22,729	102.96
PUERTO RICO	19	19	2,032	130	63.93
SOUTH CAROLINA	7,649	4,323	159,731	6,129	38.37
SOUTH DAKOTA	31,613	14,790	1,165,373	65,084	55.85
TENNESSEE	7,321	4,883	205,282	13,775	67.10
TEXAS	22,107	16,234	3,465,165	124,839	36.03
UTAH	875	543	167,952	5,206	31.00
VERMONT	384	271	2,875	288	100.18
VIRGINIA	5,839	4,464	63,416	3,760	59.29
WASHINGTON	12,406	5,168	1,453,510	81,116	55.81
WEST VIRGINIA	447	363	5,840	431	73.73
WISCONSIN	24,642	15,107	400,679	32,064	80.02
WYOMING	965	653	224,020	6,087	27.17
NOT REPORTED	1	1	28	2	82.00

Note: "Not Reported" includes a contract with a data anomaly.

11. Duplication or Overlap with Other Programs

CRP is not a duplicate of other USDA conservation programs. Certain programs may share some common eligibility, but each program provides producers a unique set of options for the short and long-term management of the farm or ranch. Generally, the same parcel of land cannot be enrolled in more than one program at the same time. These programs are complementary because they provide choices for producers in how they voluntarily protect their land and provide conservation benefits to their community and beyond.

CRP enrolls land to create wildlife habitat. All of the lands eligible for CRP could be enrolled in Wildlife Habitat Incentive Program (WHIP) if they fall within the WHIP priority areas but not all lands eligible for WHIP could be enrolled in CRP.

CRP and WRP address the restoration and long term conservation of wetland resources. However, CRP is directed primarily to cropland and marginal pastureland, and many CRP participants with wetland resources are unwilling to have an easement placed on the land.

In the case of Grasslands Reserve Program (GRP), most of the land is either native sod or pasture but some cropland may be enrolled into easements or long-term contracts. There is some potential overlap of eligible acres in riparian areas near streams or rivers, but this gives producers the flexibility to enroll in the program that best suits their needs.

CREP targets specific resource concerns in a State CREP project area while providing additional incentives for enrollment above and beyond what is available under continuous CRP and Initiatives. These additional incentives are made possible through USDA and State government partnerships.

Initiatives and continuous CRP are available nationwide or in certain selected geographic areas.

Both Environmental Quality Incentives Program (EQIP) and CRP address natural resource concerns, the land uses on which the practices are applied generally are distinct. There could be minimal overlap where CRP enrolls windbreaks, shelterbelts and shallow water impoundments for wildlife.

There are many examples of FSA and NRCS programs working together to achieve conservation goals. For example, in the Chesapeake Bay, combinations of land retirement and conservation practices/systems are used to achieve nutrient, sediment and other resource objectives.

12. Waste, Fraud and Abuse

There has been no extensive Office of Inspector (OIG) or General Accountability Office (GAO) audit of the program during the past 5 years. Although occasional cases of producer misconduct may have been identified and addressed through investigations in the past, we do not have a current audit that indicates on-going systemic waste, fraud or abuse. FSA conducts its own internal investigation through its county office review process and through its internal review audit process. In 2008, 2009 and 2010 the amount of improper payments for CRP was .77 percent, 1.2 percent, and 1.77 percent, respectively.

13. Effect of Administrative Pay-go

Exhibit 1 shows the costs and savings related to USDA's Administrative Pay-go Scorecard.

1. Program Name
Emergency Conservation Program (ECP)
Prepared by USDA's FSA

2. Subprograms/Department Initiatives
None

3. Brief History
ECP was authorized by the Agricultural Credit Act of 1978, as amended, to provide financial assistance to agricultural producers to rehabilitate farmlands damaged by natural disaster when new conservation problems have been created that: (1) if not treated, will impair or endanger the land; (2) materially affect the productive capacity of the land; (3) represent damage that is unusual in character and is not the type that would recur frequently in the same area; and (4) will be so costly to rehabilitate that Federal assistance is or will be required to return the land to productive agricultural use. Funding is appropriated by Congress. ECP generally is funded through periodic supplemental appropriations that remains available until expended.

4. Purpose/Goals
ECP provides emergency funding and technical assistance for farmers and ranchers to rehabilitate farmland damaged by natural disasters and for carrying out emergency water conservation measures in periods of severe drought.

5. Success in Meeting Programmatic Purpose/Goals
ECP successfully provides financial assistance to agricultural producers to rehabilitate farmlands damaged by natural disasters. In FY 2010, nearly $54 million was allocated to help producers throughout the country address damage from drought, floods, hurricanes, wildfire, tornados and other disasters. As of June 20, 2011, in FY 2011, nearly **$**65 million (see 2011 allocations table below) has been allocated to assist with similar disasters, including the devastating tornados that have hit States such as Alabama, Arkansas, Alabama, Georgia, North Carolina, Pennsylvania, Virginia and others, and floods in Arkansas, California, Colorado, Iowa, Kentucky, Oregon, Minnesota, New York, North Carolina, Tennessee, Virginia, Wisconsin and other States. If funds allocated to a State are not used within a reasonable period of time, the funds are withdrawn and reallocated to meet ECP needs elsewhere.

6. Annual Budget Authority (FY 2002 – FY 2011)

	FY 2002 Through FY 2011 Budget Authority									
	(Dollars in thousands)									
	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Estimated
Emergency Conservation Program	0	0	$11,929	$150,000	$161,800	$18,000	$204,413	0	0	0

7. Annual Outlays (FY 2002 – FY 2011)

The Emergency Conservation Program (ECP) receives no-year discretionary appropriations. Actual ECP cost-share outlays are made when practices are completed.

	FY 2002 Through FY 2011 Outlays (Dollars in thousands)									
	FY 2002 Actual	FY 2003 Actual	FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Actual	FY 2009 Actual	FY 2010 Actual	FY 2011 Estimated
Emergency Conservation Program	$32,365	$46,980	$23,100	$57,123	$88,311	$72,166	$27,730	$71,084	$76,879	$71,000

8. Annual Delivery Cost (FY 2007 – FY 2011)

Annual delivery cost is reported consistent with the President's 2012 Budget and USDA's Strategic Plan:

Department Strategic Goal: Ensure our national forests and private working lands are conserved, restored, and made more resilient to climate change, while enhancing our resources.

PROGRAM	PROGRAM ITEMS	FY 2007 Amount ($000)	FY 2008 Amount ($000)	FY 2009 Amount ($000)	FY 2010 Amount ($000)	FY 2011 Amount ($000)
	Conservation					
	Conservation Reserve Program	974,124	1,990,178	1,872,881	1,910,630	1,997,496
	Grassroots Source Water Protection Program	1,856	3,687	5,000	5,000	5,000
/1	State Mediation Grants	526	1,092	1,092	1,092	1,092
/1	Direct Conservation Loans	0	0	0	114	1,065
/1	Guaranteed Conservation Loans	0	0	0	1	278
/2	Other Conservation Payments	4,600	3,247	46	-4	33,334
	Administrative costs (direct)	107,118	240,070	256,932	278,940	278,825
	Indirect costs	9,773	82,642	63,352	68,779	72,804
	Total Costs	1,097,997	2,320,916	2,199,303	2,264,552	2,389,894
	FTEs	1,228	3,023	2,015	2,928	2,885

Department Strategic Goal: Assist rural communities to create prosperity so they are self-sustaining, repopulating, and economically thriving.

PROGRAM	PROGRAM ITEMS	FY 2007 Amount ($000)	FY 2008 Amount ($000)	FY 2009 Amount ($000)	FY 2010 Amount ($000)	FY 2011 Amount ($000)
	Income Support and Disaster Assistance					
/ 3	Emergency Conservation Program	149,727.00	128,456.00	0.00	92,459.00	39,719.00
	Administrative costs (direct)	776,465.00	683,795.00	694,980.00	744,303.00	753,934.00
	Indirect costs	47,548.00	234,633.00	226,905.00	242,967.00	246,299.00
	Total Costs	**973,740.00**	**1,046,884.00**	**921,885.00**	**1,079,729.00**	**1,039,952.00**
	FTEs	8,905.00	8,620.00	9,528.75	8,355.00	8,140.00
	Conservation					
/ 3	Emergency Conservation Program	0	0	153,044.00	0	0
	Administrative costs (direct)	0	0	8,344.00	0	0
	Indirect costs	0	0	0.00	0	0
	Total Costs	**0.00**	**0.00**	**161,388.00**	**0.00**	**0.00**
	FTEs	0.00	0.00	0.25	0.00	0.00

/ 1 FSA has programs related to supporting the conservation goal that are not part of the specific request.
/ 2 Grassland Reserve Program (GRP) payments are reported by NRCS for budget purposes. FSA administrative costs related to GRP and Voluntary Public Access and Habitat Incentive Program are included.
/ 3 The information related to the Emergency Conservation Program (ECP) is reported as an emergency program under Goal 1. We have broken out the program information but the administrative costs relate to all programs for the Income Support and Disaster Assistance Goal.

9. Eligibility Criteria

County FSA committees determine land eligibility based on on-site inspections of damage, taking into account the type and extent of damage. For land to be eligible, the natural disaster must create new conservation problems that, if untreated, would:

- impair or endanger the land;
- materially affect the land's productive capacity;
- represent unusual damage which, except for wind erosion, is not the type likely to recur frequently in the same area; and
- be so costly to repair that Federal assistance is or will be required to return the land to productive agricultural use.

Conservation problems existing prior to the applicable disaster are ineligible for ECP assistance.

ECP program participants receive cost-share assistance of up to 75 percent of the cost to implement approved emergency conservation practices, as determined by county FSA committees. Socially-disadvantaged producers may be eligible for up to 90 percent cost-share assistance.

Individual or cumulative requests for cost-sharing of $50,000 or less per person, per disaster are approved at the county committee level. Cost-sharing from $50,001 to $100,000 is approved at the State committee level. Cost-sharing over $100,000 must be approved by FSA's national office. Further, there is a payment limitation of $200,000 per person or legal entity per disaster.

10. Utilization (Participation) Data

Since 1978, ECP has provided assistance to help producers on between 2,000 to nearly 38,000 farms a year. The wide range of assistance stems from the fact that ECP is an appropriated program that is only utilized when needed by farmers and ranchers after disasters strike.

As of June 20, 2011, about $167 million is estimated in unmet ECP needs primarily related to recent natural disasters including flooding, tornadoes, drought, and wildfires.

11. Duplication or Overlap with Other Programs

Although the Emergency Watershed Protection Program (EWP) and ECP have similar goals, generally, ECP is farm level, and EWP is watershed level. Through ECP, USDA works directly with farmers to cost-share on practices to restore land and return it to production after a natural disaster. Under EWP, USDA works with States, counties, or other local sponsors to provide financial assistance to address problems caused by natural disasters that affect area wide issues. Sponsors must provide a share of the resources to support the project.

ECP also works in concert with the Emergency Forest Restoration Program (EFRP), authorized by the 2008 Farm Bill, Forestry Title, to address all eligible private agricultural land after a natural disaster. EFRP addresses the critical need to restore nonindustrial private forestland after a natural disaster such a hurricane or tornado.

12. Waste, Fraud and Abuse

Although occasional cases of producer misconduct may have been identified and addressed through investigations in the past, no current systemic waste, fraud or abuse has been identified related to this program. Due to the nature of ECP funding, ECP has been audited often. Most recently, following appropriations under the 2008 supplemental appropriations act and the 2008 disaster relief and recovery supplemental appropriations act as well as transfer authority provided in the 2009 supplemental appropriations act, OIG conducted the following audits:

a. Review of Emergency Disaster Assistance for 2008 Disasters: Emergency Conservation Program, (Audit 03702-1-TE). This audit, which focused on ECP assistance to address damages from Hurricanes Ike and Gustav, did not find many significant issues.

b. Review of Emergency Disaster Assistance for the 2008 Natural Disasters: Emergency Conservation Program (Audit 03702-1-TE). This audit, which focused on ECP assistance to address damage from the 2008 Midwest Floods, had a number of findings, which could only be addressed with additional funding and staff salary.

13. Effect of Administrative Pay-go

None.

1. Program Name
Voluntary Public Access and Habitat Incentive Program (VPA-HIP)
Prepared by USDA's Farm Service Agency

2. Subprograms/Department Initiatives
None

3. Brief History
VPA-HIP is a competitive grant program authorized by the 2008 Farm Bill. Up to $50 million is available through FY 2012. Funding is limited to State and tribal governments establishing new public access programs, expanding existing public access programs, and/or enhancing wildlife habitat on lands enrolled in public access programs.

4. Purpose/Goals
The primary objective of the VPA-HIP is to encourage owners and operators of privately-held farm, ranch, and forest land to voluntarily make that land available for access by the public for wildlife-dependent recreation, including hunting or fishing, under programs implemented by State or tribal governments. VPA-HIP will provide environmental, economic and social benefits including, but not limited to, enhanced wildlife habitat, improved wildlife populations, increased revenue for rural communities, and expanded opportunities for re-connecting Americans with the great outdoors.

5. Success in Meeting Programmatic Purpose/Goals
Funding was first obligated under VPA-HIP in 2010. It is too soon to assess the success in meeting programmatic goals.

6. Annual Budget Authority (FY 2002 – FY 2011)

	FY 2002 Through FY 2011 Budget Authority									
	(Dollars in thousands)									
	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Estimated
Voluntary Public Access and Habitat Incentives Program	0	0	0	0	0	0	0	0	$11,756	$21,578

7. Annual Outlays (FY 2002 – FY 2011)

	FY 2002 Through FY 2011 Outlays									
	(Dollars in thousands)									
	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Estimated
Voluntary Public Access and Habitat Incentives Program	0	0	0	0	0	0	0	0	0	$33,334

8. Annual Delivery Cost (FY 2007 – FY 2011)

Annual delivery cost is reported consistent with the President's 2012 Budget and USDA's Strategic Plan:

Department Strategic Goal: Ensure our national forests and private working lands are conserved, restored, and made more resilient to climate change, while enhancing our resources.

PROGRAM	PROGRAM ITEMS	FY 2007 Amount ($000)	FY 2008 Amount ($000)	FY 2009 Amount ($000)	FY 2010 Amount ($000)	FY 2011 Amount ($000)
	Conservation					
	Conservation Reserve Program	974,124	1,990,178	1,872,881	1,910,630	1,997,496
	Grassroots Source Water Protection Program	1,856	3,687	5,000	5,000	5,000
/1	State Mediation Grants	526	1,092	1,092	1,092	1,092
/1	Direct Conservation Loans	0	0	0	114	1,065
/1	Guaranteed Conservation Loans	0	0	0	1	278
/2	Other Conservation Payments	4,600	3,247	46	-4	33,334
	Administrative costs (direct)	107,118	240,070	256,932	278,940	278,825
	Indirect costs	9,773	82,642	63,352	68,779	72,804
	Total Costs	1,097,997	2,320,916	2,199,303	2,264,552	2,389,894
	FTEs	1,228	3,023	2,015	2,928	2,885

Department Strategic Goal: Assist rural communities to create prosperity so they are self-sustaining, repopulating, and economically thriving.

PROGRAM	PROGRAM ITEMS	FY 2007 Amount ($000)	FY 2008 Amount ($000)	FY 2009 Amount ($000)	FY 2010 Amount ($000)	FY 2011 Amount ($000)
	Income Support and Disaster Assistance					
/ 3	Emergency Conservation Program	149,727.00	128,456.00	0.00	92,459.00	39,719.00
	Administrative costs (direct)	776,465.00	683,795.00	694,980.00	744,303.00	753,934.00
	Indirect costs	47,548.00	234,633.00	226,905.00	242,967.00	246,299.00
	Total Costs	**973,740.00**	**1,046,884.00**	**921,885.00**	**1,079,729.00**	**1,039,952.00**
	FTEs	8,905.00	8,620.00	9,528.75	8,355.00	8,140.00
	Conservation					
/ 3	Emergency Conservation Program	0	0	153,044.00	0	0
	Administrative costs (direct)	0	0	8,344.00	0	0
	Indirect costs	0	0	0.00	0	0
	Total Costs	**0.00**	**0.00**	**161,388.00**	**0.00**	**0.00**
	FTEs	0.00	0.00	0.25	0.00	0.00

/ 1 FSA has programs related to supporting the conservation goal that are not part of the specific request.
/ 2 Grassland Reserve Program (GRP) payments are reported by NRCS for budget purposes. FSA administrative costs related to GRP and Voluntary Public Access and Habitat Incentive Program are included.
/ 3 The information related to the Emergency Conservation Program (ECP) is reported as an emergency program under Goal 1. We have broken out the program information but the administrative costs relate to all programs for the Income Support and Disaster Assistance Goal.

9. Eligibility Criteria

Only States and tribal governments are eligible for federal VPA-HIP funding. States and tribal governments may propose to use VPA-HIP grant funding to expand existing public access programs, create new public access programs, and/or provide incentives to enhance wildlife habitat on lands enrolled in State or tribal government public access programs.

10. Utilization (Participation) Data

States and tribal governments participating in VPA-HIP are Arizona, California, Colorado, Georgia, Hawaii, Idaho, Illinois, Iowa, Kansas, Kentucky, Michigan, Minnesota, Montana, Nebraska, New Hampshire, North Dakota, Oregon, Pennsylvania, South Dakota, Texas, Utah, Virginia, Washington, Wisconsin, Wyoming and the Confederated Tribes and Bands of the Yakama Nation.

11. Duplication or Overlap with Other Programs

VPA-HIP is unlike any other USDA program as it specifically targets public access. Incentives for enhancing wildlife habitat under VPA-HIP are limited to those private land owners and operators who make land available for public access. The Department of Interior Federal Aid in Wildlife Restoration Act makes funds available from an 11 percent excise tax on sporting arms and ammunition through the Secretary of Interior to States. Activities eligible under the Landowner Incentive Program (LIP) of the USFWS for such funding include acquisition and development of access and improvement of wildlife habitat. VPA-HIP has proven complementary to State public access program initiated as a result of LIP funding.

12. Waste, Fraud and Abuse
No such instances have to date been identified.

13. Effect of Administrative Pay-go
None.

1. Program Name

Grass Roots Source Water Program (Source Water)
Prepared by USDA's Farm Service Agency

2. Subprograms/Department Initiatives

None

3. Brief History

Source Water is a grant program implemented for State Rural Water Associations and is designed to help prevent source water pollution in States through voluntary practices installed by producers and other landowners at the local level.

Source Water uses onsite technical assistance capabilities of each State rural water association that operates a Source Water Program in the State. State rural water associations deliver assistance in developing source water protection plans within watersheds for the common goal of preventing the contamination of drinking water supplies.

Source water is surface and ground water that is consumed by rural residents. According to the National Rural Water Association, ground water is the primary source of drinking water for some 44,000 communities in the United States. Through the program, State rural water associations hire, for every participating State, a full-time source water specialist who possesses knowledge and experience in rural issues. The technician works with FSA's State and county leadership, NRCS technicians, local leaders, and communities to create operating plans that identify priority areas where local pollution prevention efforts are needed most in their respective States.

This collaboration is intended to result in the development of a source water protection plan that outlines voluntary measures for farmers, ranchers, and local communities that can be installed on their lands to prevent source water pollution. Voluntary measures may range from storing herbicides, pesticides, or other substances in more secure containers to relocating waste lagoons. By working at the grassroots level, local team members inform and educate participants about source water protection measures that benefit their neighbors and communities. Additionally, the plans also establish steering committees to evaluate voluntary practices that have been implemented. FSA monitors the overall performance of the program.

4. Purpose/Goals

Source Water's goal is to implement source water protection plans in each State by assisting small and rural communities in protecting their drinking water resources. There are source water protection plans in 43 States. The ultimate goal of the project is to assist public water utilities and the agricultural community in coordinating efforts by taking a proactive approach to maintain and/or improve water quality within their source water protection planning areas.

5. Success in Meeting Programmatic Purpose/Goals

Between October 1, 2009, and September 30, 2010, source water protection plans were completed in 119 communities which provide protection measures for 470 public drinking water sources (415 wells and 55 surface water intakes).

6. Annual Budget Authority (FY 2002 – FY 2011)

FY 2002 Through FY 2011 Budget Authority (Dollars in thousands)										
	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Estimated
Grassroots Source Water Protection Program	$0	$0	$0	$0	$3,713	$3,713	$3,687	$5,000	$5,000	$3,577

7. Annual Outlays (FY 2002 – FY 2011)

FY 2002 Through FY 2011 (Dollars in thousands)										
	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Estimated
Grassroots Source Water Protection Program	$0	$0	$0	$0	$3,713	$3,713	$3,687	$5,000	$5,000	$4,242

8. Annual Delivery Cost (FY 2007 – FY 2011)

Annual delivery cost is reported consistent with the President's 2012 Budget and USDA's Strategic Plan:

Department Strategic Goal: Ensure our national forests and private working lands are conserved, restored, and made more resilient to climate change, while enhancing our resources.

PROGRAM	PROGRAM ITEMS	FY 2007 Amount ($000)	FY 2008 Amount ($000)	FY 2009 Amount ($000)	FY 2010 Amount ($000)	FY 2011 Amount ($000)
	Conservation					
	Conservation Reserve Program	974,124	1,990,178	1,872,881	1,910,630	1,997,496
	Grassroots Source Water Protection Program	1,856	3,687	5,000	5,000	5,000
/1	State Mediation Grants	526	1,092	1,092	1,092	1,092
/1	Direct Conservation Loans	0	0	0	114	1,065
/1	Guaranteed Conservation Loans	0	0	0	1	278
/2	Other Conservation Payments	4,600	3,247	46	-4	33,334
	Administrative costs (direct)	107,118	240,070	256,932	278,940	278,825
	Indirect costs	9,773	82,642	63,352	68,779	72,804
	Total Costs	1,097,997	2,320,916	2,199,303	2,264,552	2,389,894
	FTEs	1,228	3,023	2,015	2,928	2,885

Department Strategic Goal: Assist rural communities to create prosperity so they are self-sustaining, repopulating, and economically thriving.

PROGRAM	PROGRAM ITEMS	FY 2007 Amount ($000)	FY 2008 Amount ($000)	FY 2009 Amount ($000)	FY 2010 Amount ($000)	FY 2011 Amount ($000)
	Income Support and Disaster Assistance					
/ 3	Emergency Conservation Program	149,727.00	128,456.00	0.00	92,459.00	39,719.00
	Administrative costs (direct)	776,465.00	683,795.00	694,980.00	744,303.00	753,934.00
	Indirect costs	47,548.00	234,633.00	226,905.00	242,967.00	246,299.00
	Total Costs	**973,740.00**	**1,046,884.00**	**921,885.00**	**1,079,729.00**	**1,039,952.00**
	FTEs	8,905.00	8,620.00	9,528.75	8,355.00	8,140.00
	Conservation					
/ 3	Emergency Conservation Program	0	0	153,044.00	0	0
	Administrative costs (direct)	0	0	8,344.00	0	0
	Indirect costs	0	0	0.00	0	0
	Total Costs	**0.00**	**0.00**	**161,388.00**	**0.00**	**0.00**
	FTEs	0.00	0.00	0.25	0.00	0.00

/ 1 FSA has programs related to supporting the conservation goal that are not part of the specific request.
/ 2 Grassland Reserve Program (GRP) payments are reported by NRCS for budget purposes. FSA administrative costs related to GRP and Voluntary Public Access and Habitat Incentive Program are included.
/ 3 The information related to the Emergency Conservation Program (ECP) is reported as an emergency program under Goal 1. We have broken out the program information but the administrative costs relate to all programs for the Income Support and Disaster Assistance Goal.

9. Eligibility Criteria

States are selected based on a formula that ranks States based on total maximum daily loads, impaired waters, total farm acres, and total toxic discharges.

10. Utilization (Participation) Data

States participating in Source Water include: Alaska, Alabama, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, Florida, Georgia, Idaho, Illinois, Indiana, Iowa, Kansas, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nevada, New Hampshire, New Mexico, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, Texas, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin, and Wyoming. The 43 participating States were chosen based on objective technical criteria relating to water quality and population.

11. Duplication or Overlap with Other Programs

There is no overlap with Rural Development (RD) programs which provide support grants and loans for water and wastewater treatment, distribution, and collection systems.

The FSA source water program is not a duplication but is complementary of the Environmental Protection Agency's (EPA) source water initiatives. The EPA source water program is targeted to compliance of community water supplies with Safe Drinking Water Act regulations. FSA authorized source water efforts focuses incorporating the agriculture community into prevention of contamination in source waters through FSA programs such as the CRP and education of the agriculture community and non-governmental entities.

12. Waste, Fraud and Abuse

No such instances have to date been identified.

13. Effect of Administrative Pay-go

None.

1. Program Name:

Grassland Reserve Program (GRP)
Prepared by USDA's NRCS and FSA

2. Subprograms/Department Initiatives:

None.

3. Brief History:

GRP was authorized in section 2401 of the 2002 Farm Bill and was reauthorized by section 2403 of the 2008 Farm Bill. NRCS and FSA jointly administer this program. Both agencies share policy development, NRCS administers the easements, and FSA implements the rental contracts. Funding for GRP comes from the Commodity Credit Corporation (CCC).

Legislative Changes. The 2008 Farm Bill:

- Increased the acreage that may be enrolled in the program by 1.2 million acres during the years 2009 through 2012.
- Provided priority for enrollment of expiring acreage from the Conservation Reserve Program (CRP), limited to 10 percent of the total acres enrolled in any year.
- Authorized eligible lands to be enrolled into either a permanent easement (or maximum allowed under State law); or a 10-, 15-, or 20-year rental contract.
- Authorized restoration agreements on lands, enrolled under a either a rental contract or an easement, to receive up to 50 percent cost-share.
- Expanded the definition of eligible to include land that contains historical or archeological resources and land that addresses State, regional, or national conservation priorities.
- Required a grazing management plan for GRP participants.
- Required that valuation of an easement be at the lower of either an appraisal or market survey, a rate set by the Secretary of Agriculture, or the landowner's offer.
- Defined "eligible entities" as units of State, local, or tribal government or nongovernmental organizations that have a charter describing a commitment to conserving ranchland, agricultural land, or grassland for grazing and conservation purposes.
- Allowed that easements may now be acquired by eligible entities based on a 50 percent cost-share with the Federal government.
- Established an annual payment limitation of $50,000 for both rental and restoration agreements.
- Waived a minimum acreage limitation for enrollment.
- Excluded land from the GRP if it is currently enrolled in another conservation program or is already protected by an existing easement, contract or deed restriction or is owned by a conservation organization.
- Allowed interested landowners to submit applications under a continuous sign-up.

4. Purpose/Goals

The purpose of the Grassland Reserve Program (GRP) is to assist landowners and operators in protecting grazing uses and related conservation values by conserving and restoring grassland resources on eligible private lands through rental contracts, easements, and restoration agreements. The program emphasizes support for working grazing operations; enhancement of plant and animal biodiversity; and protection of grassland and land containing shrubs and forbs under threat of conversion.

5. Success in Meeting Programmatic Purpose/Goals

Montana: GRP Enrollments Support Agency Commitment to Sage Grouse Habitat. In Phillips County, Montana, five GRP projects enrolled in the last two years protect 29,485 acres. These projects help preserve rural ranching operations while providing critical wildlife habitat for sage grouse and other grassland birds. The USFWS announced this species as a candidate for listing on the Endangered Species List. NRCS is taking proactive steps to protect and improve habitat in order to prevent listing of this bird in significant decline. More than 80 percent of the acres in these five ranches are prime habitat for of sage grouse. These ranchers have embraced management activities that continue to provide food, clean water, and habitat for mule deer, elk, pronghorn, and a multitude of neo-tropical grassland birds and one of the healthiest populations of sage grouse in the nation.

Pennsylvania: GRP Helps Landowners Manage for Conservation. Conservation-minded landowners are interested in protecting and improving pastures for grazing management, while maintaining wildlife habitat for ground nesting birds. These landowners see the GRP program as a good fit for their management goals. These conservation easements protected nearly 400 acres of grasslands in areas subject to increasing development pressure.

Wyoming: A 2,412-acre GRP easement was placed on land in central Wyoming, adjacent to the Medicine Bow National Forest. The upper meadows are used by an elk herd. Cows and calves graze during late spring and stay all summer. Good feed and water nourish both domestic animals and wildlife, with escape cover on the west end of the pasture. During fall and winter, elk cows and bulls spend days on the pasture. Pronghorn antelope and mule deer are often seen in the lower elevations. Approximately 25 to 35 sage grouse forage in the lower elevation habitat.

Sage Grouse Recovery: USDA provided $2.5 million in GRP financial assistance to five western States for Greater Sage Grouse conservation and recovery on lands identified by State wildlife agencies as containing critical sage grouse habitat. The funds were used for enrollment of GRP easements on private lands in California, Colorado, Montana, Utah and Wyoming, with technical assistance and additional financial assistance provided through State and local partnerships.

Conservation on the Ground – GRP in Kansas. Kansas has very productive native grasslands. During FY 2007, ranchers in Kansas signed 47 GRP conservation easements that will protect 22,600 acres of the State's native grassland. GRP conservation easements are one way to prevent the destruction of the Kansas tall-grass prairie. And, Kansas ranchers have demonstrated a keen interest in the program by enrolling 22,600 acres in GRP easements that will forever remain in tall-grass prairie.

Washington State protecting historic grazing lands. The Colvin family has ranched on their 530 acres family homestead along Scatter Creek in Washington State since Ignatius Colvin arrived over the Oregon Trail in the 1850's. GRP easements allow the current generation of the Colvin family to keep the land as a working ranch in perpetuity. Urban development pressures in western Washington make maintaining large tracts of grazing lands very difficult. By granting GRP easements, the entire 530 acres grazing area soon will be protected. The contiguous easements were funded through fiscal year 2004, 2005, and 2009 allocations. The Colvin family's grazing management plan, developed with NRCS, maintains and enhances native prairie habitat.

6. Annual Budget Authority (FY 2002 – FY 2011)

FY	Appropriation ($ in millions)
2002	-
2003	85
2004	115
2005	128
2006	54
2007	16
2008	3
2009	48
2010	101
2011	79

7. Annual Outlays (FY 2002 – FY 2011)

FY	Outlays ($ in millions)
2002	-
2003	34
2004	55
2005	71
2006	27
2007	29
2008	3
2009	46
2010	93
2011	80

NRCS GRP financial assistance (FA) funds support eligibility determinations, rental contracts, easement acquisition, and monitoring. FA for easement acquisition is obligated when the acres to be placed under easement are enrolled but are not expended until the easement has been perfected which is a process that may take over a year. Technical Assistance (TA) funds obligated in a given year are used for workload generated by the enrollment of new acres and acreage already enrolled. The majority of TA funding usually is expended in the year of obligation. FA funding represents the majority of program budget authority.

8. Annual Delivery Cost (FY 2007 – FY 2011)

Annual delivery cost is reported consistent with the President's 2012 Budget and USDA's Strategic Plan:

Annual delivery cost for NRCS includes:

	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Grasslands Reserve Program					
Conservation Planning and Technical Consultation	453	155	2,021	2,047	5,880
Conservation Implementation	330	203	835	846	2,430
Financial Assistance-Program Administration	1,079	445	3,240	3,281	9,425
Indirect Costs	1,282	200	520	526	1,512
Sub-total Technical Assistance	3,144	1,003	6,616	6,700	19,247
Financial Assistance - Cost Share & Monetary Incentive	9,843	1,810	41,042	93,408	98,126
Total Costs	12,987	2,813	47,658	100,108	117,373
FTEs	21	7	30	28	55

Notes: These numbers are consistent with the published "Full Cost by Secretary's Strategic Priorities" section of the Explanatory Notes for fiscal years 2009 through 2012 President's Budget submissions. In the table above, fiscal years 2007 through 2010 amounts are actual; fiscal year 2011 is an estimate from the fiscal year 2012 President's Budget submission. A copy of this section is an addendum to the Questionnaire.

Financial assistance funding is identified on the line titled, "Financial Assistance – Cost Share and Monetary Incentives." Funds associated with technical assistance are on the remaining four lines. A summary of technical assistance funding is provided for the purpose of this questionnaire.

Annual delivery cost for FSA includes:

Department Strategic Goal: Ensure our national forests and private working lands are conserved, restored, and made more resilient to climate change, while enhancing our resources.

PROGRAM	PROGRAM ITEMS	FY 2007 Amount ($000)	FY 2008 Amount ($000)	FY 2009 Amount ($000)	FY 2010 Amount ($000)	FY 2011 Amount ($000)
	Conservation					
	Conservation Reserve Program	974,124	1,990,178	1,872,881	1,910,630	1,997,496
	Grassroots Source Water Protection Program	1,856	3,687	5,000	5,000	5,000
/1	State Mediation Grants	526	1,092	1,092	1,092	1,092
/1	Direct Conservation Loans	0	0	0	114	1,065
/1	Guaranteed Conservation Loans	0	0	0	1	278
/2	Other Conservation Payments	4,600	3,247	46	-4	33,334
	Administrative costs (direct)	107,118	240,070	256,932	278,940	278,825
	Indirect costs	9,773	82,642	63,352	68,779	72,804
	Total Costs	1,097,997	2,320,916	2,199,303	2,264,552	2,389,894
	FTEs	1,228	3,023	2,015	2,928	2,885

Department Strategic Goal: Assist rural communities to create prosperity so they are self-sustaining, repopulating, and economically thriving.

PROGRAM	PROGRAM ITEMS	FY 2007 Amount ($000)	FY 2008 Amount ($000)	FY 2009 Amount ($000)	FY 2010 Amount ($000)	FY 2011 Amount ($000)
	Income Support and Disaster Assistance					
/ 3	Emergency Conservation Program	149,727.00	128,456.00	0.00	92,459.00	39,719.00
	Administrative costs (direct)	776,465.00	683,795.00	694,980.00	744,303.00	753,934.00
	Indirect costs	47,548.00	234,633.00	226,905.00	242,967.00	246,299.00
	Total Costs	**973,740.00**	**1,046,884.00**	**921,885.00**	**1,079,729.00**	**1,039,952.00**
	FTEs	8,905.00	8,620.00	9,528.75	8,355.00	8,140.00
	Conservation					
/ 3	Emergency Conservation Program	0	0	153,044.00	0	0
	Administrative costs (direct)	0	0	8,344.00	0	0
	Indirect costs	0	0	0.00	0	0
	Total Costs	**0.00**	**0.00**	**161,388.00**	**0.00**	**0.00**
	FTEs	0.00	0.00	0.25	0.00	0.00

/ 1 FSA has programs related to supporting the conservation goal that are not part of the specific request.
/ 2 Grassland Reserve Program (GRP) payments are reported by NRCS for budget purposes. FSA administrative costs related to GRP and Voluntary Public Access and Habitat Incentive Program are included.
/ 3 The information related to the Emergency Conservation Program (ECP) is reported as an emergency program under Goal 1. We have broken out the program information but the administrative costs relate to all programs for the Income Support and Disaster Assistance Goal.

9. Eligibility Criteria

Land is eligible if it is privately owned or Tribal land and it is: 1) grassland that contains forbs or shrubs (including rangeland and pastureland) for which grazing is the predominant use; or 2) located in an area that has been historically dominated by grassland, forbs, or shrubs. The land must also have potential to provide habitat for animal or plant populations of significant ecological value if the land is retained in the current use or restored to a natural condition.

10. Utilization (Participation) Data

Contract Fiscal Year 2010

	Rental Contracts			Easements			Dollars Allocated for Easements	Technical Assistance
	Number / 1	Acres / 1	Obligations	Number / 1	Acres / 1	Obligations for Due Diligence and Market Analysis		
Total	424	273,516	$29,288,185	144	95,907	$3,232,610	$52,318,210	$3,437,072

/ 1 Numbers currently reported in National Easement Staging Tool (NEST) are undergoing an intense quality assurance review. Numbers are subject to change during this process.

11. Duplication or Overlap with Other Programs

GRP provides for the long-term conservation/preservation of critical grassland resources that are under pressure from conversion. Other long-term conservation programs such as CRP, WRP, and Farm and Ranch Land Protection Program share the common objective to enhance and improve the grassland resources through short-term (10+ year contracts – CRP) or through the purchase of easements under FRPP. Generally, the same parcel of land cannot be enrolled in more than one program at the same time. These programs are complementary because they provide choices for producers in how they voluntarily protect their land and provide conservation benefits to their community and beyond.

These programs share a common goal of restoring and protecting the natural resources benefits of grassland ecosystems to provide wildlife, water quality erosion and other natural resource benefits. In some cases, the restoration of the grassland resources requires the development of grassland habitat or the development of the infrastructure (fences, springs etc.) that will enable the long-term management of these resources. In the cases where infrastructure or management changes are needed, there may be some overlap with EQIP, Stewardship, and/or WHIP.

Some of the practices offered through Stewardship to meet the minimum threshold at the end of the contract are also offered through other programs such as EQIP. Utilizing Stewardship for this purpose increases the additionality intent and uniqueness of the program.

12. Waste, Fraud and Abuse

No such instances have to date been identified.

13. Effect of Administrative Pay-go

None.

1. Program Name

Chesapeake Bay Watershed Program (CBWP)
Prepared by USDA's NRCS

2. Subprograms/Department Initiatives

None.

3. Brief History

The CBWP was first authorized by the 2002 Farm Bill and was reauthorized in section 2602 of the 2008 Farm Bill. The Chief of NRCS may implement CBWP in the watersheds of all tributaries, backwaters, and side channels draining into the Chesapeake Bay. These areas include lands in Delaware, Maryland, New York, Pennsylvania, Virginia, and West Virginia.

As of 2010, CBWP participants have enrolled nearly 270,000 acres in about 1,800 agreements in the Chesapeake Bay watershed.

4. Purpose/Goals

The purpose of CBWP is to assist producers in implementing conservation activities on agricultural lands in the Chesapeake Bay for the purposes of (1) improving water quality and quantity in the Chesapeake Bay watershed and (2) restoring, enhancing, and preserving soil, air, and related resources in the Chesapeake Bay watershed.

5. Success in Meeting Programmatic Purpose/Goals

In FY 2010:

- NRCS enrolled over 950 agreements on over 156,000 acres.
- The value of the contracts was over $33.5 million.
- The average agreement size is 164 acres.
- On average, NRCS agreed to reimburse participants approximately $35,000 for each long-term agreement.

6. Annual Budget Authority (FY 2002 – FY 2011)

FY	Appropriation ($ in millions)
2002	-
2003	-
2004	-
2005	-
2006	-
2007	-
2008	-
2009 /1	23
2010	43
2011	72

/1 Chesapeake Bay Watershed Program funding began in 2009. Prior to this time, discretionary funds were received through congressionally designated projects.

7. Annual Outlays (FY 2002 – FY 2011)

FY	Outlays ($ in thousands)
2002	-
2003	-
2004	-
2005	-
2006	-
2007	-
2008	-
2009 /1	3
2010	23
2011	41

/1 Chesapeake Bay Watershed Program funding began in 2009. Prior to this time, discretionary funds were received through congressionally-designated projects.

CBWP FA funds are obligated the year a contract is entered into, and this initial obligation is applicable to the entire multi-year span of the contract. As the years pass, FA for contracted practices is not expended until the practices are installed and inspected for quality control by NRCS personnel. For this reason, FA funds tend to outlay for multiple years after obligation. TA funds obligated in a given year are used for workload generated by the enrollment of new contracts and workload generated by prior year contract implementation. The vast majority of TA funding tends to outlay in the year of obligation. FA funding represents the majority of program budget authority.

8. Annual Delivery Cost (FY 2007 – FY 2011)

Annual delivery cost is reported consistent with the President's 2012 Budget and USDA's Strategic Plan:

	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Chesapeake Bay Watershed Program					
Conservation Planning and Technical Consultation	-	-	209	676	1,234
Conservation Implementation	-	-	1,083	3,501	6,393
Financial Assistance-Program Administration	-	-	727	2,350	4,292
Indirect Costs	-	-	1,228	3,970	7,251
Sub-total Technical Assistance	-	-	3,247	10,497	19,170
Financial Assistance - Cost Share & Monetary Incentive	-	-	18,595	33,539	52,830
Total Costs	-	-	21,842	44,036	72,000
FTEs	-	-	25	85	172

Notes: These numbers are consistent with the published "Full Cost by Secretary's Strategic Priorities" section of the Explanatory Notes for fiscal years 2009 through 2012 President's Budget submissions. In the table above, fiscal years 2009 and 2010 amounts are actual; fiscal year 2011 is an estimate from the fiscal year 2012 President's Budget submission. A copy of this section is an addendum to the Questionnaire.

Financial assistance funding is identified on the line titled, "Financial Assistance – Cost Share and Monetary Incentives." Funds associated with technical assistance are on the remaining four lines. A summary of technical assistance funding is provided for the purpose of this questionnaire.

9. Eligibility Criteria

Congress provided the authority to deliver CBWP funds through another conservation that functions in the Chesapeake Bay. Since the purpose of CBWP is similar to the purpose of the Environmental Quality Incentives Program (EQIP), CBWP is administered using the same programmatic rules as EQIP.

To participate in CBWP, both the land and the applicant must be eligible. Eligible land includes cropland, rangeland, pastureland, private nonindustrial forestland, and other farm or ranch lands. The land must have an identified natural resource concern that poses a serious threat to soil, water, air, or related resources by reason of land use practices, soil type, terrain, climatic conditions, topography, flooding, saline characteristics, or other natural resource factors or natural hazard. Publicly-owned land is eligible only if: (1) the land is under private control for the contract period; (2) is included within the participant's operating unit; and (3) must have written authorization from the government agency that owns the land to apply conservation practices. For irrigation-related practices, the land must have a history of actively irrigating the land unit for two out of the last five years.

Applicants must be an agricultural producer, have control of the land for the life of the contract, be in compliance with Farm Bill provisions (highly erodible land, wetland conservation, protection of tenants and sharecroppers), be within appropriate program payment limitations and adjusted gross income requirements, and develop an EQIP plan of operations. Applications are accepted year round at local USDA Service Centers, but there are application cut-off dates that vary from State to State.

10. Utilization (Participation) Data
CBWP Application/Contract Status data include:

Fiscal Year	Number of Active and Completed Contracts	Financial Assistance Obligated	Total Treated Acres
2009	826	$18,592,739	110,327
2010	953	$33,517,624	156,704
Total	1779	$52,110,363	267,031

11. Duplication or Overlap with Other Programs
CBWP is a mechanism for focusing funding for maximum impact, is delivered through existing programs such as the EQIP, and is focused in the Chesapeake Bay watershed and on priorities related to controlling nutrient and sediment and habitat conservation.

12. Waste, Fraud and Abuse
No such instances have to date been identified.

13. Effect of Administrative Pay-go
None.

1. Program Name:
Watershed and Flood Prevention Operation (Small Watershed)
Prepared by USDA's NRCS

2. Subprogram/Department Initiatives
None

3. **Brief History:**
The Watershed Planning and Operations programs operate under Public Law 83-566, the Watershed Protection and Flood Prevention Act of 1954, as amended (PL-566); and Public Law 78-534, the Flood Control Act of 1944 (PL-534). Both of these laws authorize the Secretary of Agriculture to install watershed improvement measures to reduce flooding, sedimentation, and erosion damage; and improve the conservation, development, utilization, and disposal of water; and advance the conservation and proper utilization of land.

4. Purpose and Goals:
The program sets out to develop Watershed Project Plans, with specific actions and schedules that will meet local sponsor and resource concerns and that are physically, environmentally, socially, and economically defensible. The three general purposes set out in PL-566 include: (a) Preventing damage from erosion, floodwater, and sediment; (b) Furthering the conservation, development, utilization, and disposal of waters; and (c) Furthering the conservation and proper utilization of land. The general purposes set out in in PL-534 are (a) Run-off and water-flow retardation and (b) Soil-erosion prevention. NRCS provides technical and financial assistance to install watershed improvement measures through three means: technical assistance, land treatment, and easement and construction measures.

These programs (PL-566 & PL-534) provide for cooperation between the Federal government and the States and their political subdivisions for purposes of:
- Agricultural Water Management
- Watershed Protection
- Water Quality Management
- Public Fish and Wildlife
- Flood Prevention – Flood Damage Reduction
- Municipal & Industrial Water Supply
- Public Recreation

5. Success in Meeting Programmatic Purpose/Goals:
<u>Program Benefits</u>. Estimates of flood prevention and other annual benefits to the environment and communities from PL-566 and PL-534 that occurred in FY 2010 are shown below.

<u>Monetary Benefits</u>. Benefits include:
- Agricultural Benefits (not related to flood control): $404 million. Benefits associated with erosion control, animal waste management, water conservation, water quality improvement, irrigation efficiency, change in land use, etc.

- Non-Agricultural Benefits (not related to flood control): $899 million. Benefits associated with recreation, fish and wildlife, rural water supply, water quality, municipal and industrial water supply, and incidental recreation uses, etc.
- Agricultural Flood Protection Benefits: $320 million. This value includes all crop and pasture damage reduction benefits as well as all other agricultural damage reduction benefits.
- Non-Agricultural Flood Protection Benefits: $434 million. Non-agricultural flood damage prevented to roads, bridges, homes, and other structures that exist in the floodplain.

Natural Resources Benefits include:
- Acres of nutrient management: 674,283
- Tons of animal waste properly disposed: 4,801,640
- Tons of soil saved from erosion: 90,038,700
- Miles of streams and corridors enhanced, or protected: 54,190
- Acres of lakes and reservoirs enhanced, or protected: 2,518,613
- Acre-feet of water conserved: 1,842,813
- Acres of wetlands created, enhanced, or restored: 279,326
- Acres of upland wildlife habitat created, enhanced, or restored: 9,149,776

Social and Community Benefits
- Number of people: 48,316,354
- Number of farms and ranches: 181,248
- Number of bridges: 61,678
- Number of public facilities: 3,650
- Number of businesses: 46,583
- Number of homes: 610,983
- Number of domestic water supplies: 27,857

6. Annual Budget Authority (FY 2002 – FY 2011)

(Watershed and Flood Prevention Operations, P.L. 78-534, and Small Watershed, P.L. 83-566)

FY	Appropriation ($ in millions)
2002	106
2003	109
2004	86
2005	75
2006	74
2007	9
2008	30
2009	24
2010	30
2011	-

7. Annual Outlays (FY 2002 – FY 2011)
(Watershed and Flood Prevention Operations, P.L. 78-534, and Small Watershed, P.L. 83-566)

FY	Outlays ($ in millions)
2002	85
2003	80
2004	73
2005	86
2006	81
2007	78
2008	44
2009	42
2010	19
2011	15

Watershed and Flood Prevention Operation program TA funds generally outlay in the year the funds are obligated. The only exception to this is when TA funds are obligated through an architecture and engineering services contract to provide planning, design or quality assurance inspection during construction. FA funds are obligated after permitting and/or land rights are obtained. Outlays for these funds are generally expended over a fiscal year, but can extend over multi-years for a complex watershed operations project or for a project whose contract was awarded toward the end of the fiscal year. Given the nature of construction projects, it is possible for outlays to carryon for multiple years after the initial appropriation or obligation of the funds. Watershed and Flood Prevention Operation program funds are no-year funds.

8. Annual Delivery Cost (FY 2007 – FY 2011)
Annual delivery cost is reported consistent with the President's 2012 Budget and USDA's Strategic Plan:

	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Watershed and Flood Prevention Operations					
Conservation Planning and Technical Consultation	771	1,027	3,802	824	824
Conservation Implementation	2,514	4,654	18,130	3,827	3,827
Financial Assistance-Program Administration	271	337	1,326	280	280
Indirect Costs	1,779	4,715	11,876	3,133	3,133
Sub-total Technical Assistance	5,335	10,733	35,134	8,064	8,064
Financial Assistance - Cost Share & Monetary Incentive	3,540	19,057	134,155	21,936	21,936
Total Costs	8,875	29,790	169,289	30,000	30,000
FTEs	139	90	94	28	120

Notes: These numbers are consistent with the published "Full Cost by Secretary's Strategic Priorities" section of the Explanatory Notes for fiscal years 2009 through 2012 President's Budget submissions. In the table above, fiscal years 2007 through 2010 amounts are actual; fiscal year 2011 is an estimate from the fiscal year 2012 President's Budget submission. A copy of this section is an addendum to the Questionnaire.

Financial assistance funding is identified on the line titled, "Financial Assistance – Cost Share and Monetary Incentives." Funds associated with technical assistance are on the remaining four lines. A summary of technical assistance funding is provided for the purpose of this questionnaire.
Fiscal year 2009 includes $145 million in budget authority and associated FTE from the American Recovery and Reinvestment Act of 2009

9. Eligibility Criteria:
SPONSOR: All watershed projects must have at least one outside sponsor which must be a State or local organization/agency (i.e., State, city, town, conservancy district, tribal) that has legal authorities to acquire and hold land rights, condemn land if necessary, and perform continuing operations and maintenance. The sponsor(s) must also be able to raise, expend, and publically account for funds as these projects have a local match or share required.

PROJECT/STRUCTURES: Watershed projects involving an estimated Federal contribution in excess of five million dollars for construction, or construction of any single structure having a capacity in excess of 2,500 acre-feet of water storage require authorization by Congressional Committee. Watershed projects are limited to 250,000 acres and cannot include any single structure which provides more than 12,500 acre-feet of floodwater detention capacity, or more than 25,000 acre-feet of total capacity. The Chief of NRCS authorizes the use of Watershed Operations funds for all other projects.

Federal financial assistance may be applied to installation costs when land treatment measures are installed primarily to achieve environmental and public benefits such as surface and ground water quality improvement, water conservation, and flood mitigation. The Federal share may not exceed the rate of assistance for similar practices under other USDA conservation programs.

Land treatment measures are installed through project agreements with local sponsoring organizations or through long-term contracts between the landowner and NRCS. In the first case, the local sponsors arrange for and accomplish the work by contract or force account and

NRCS makes payments to the local sponsoring organizations as the land treatment measures are installed. In the second case, NRCS contracts directly with landowners.

10. Utilization (Participation Data)
At the end of 2010, of the 1,757 projects authorized by the Watershed and Flood Prevention Act, NRCS has assisted sponsors complete implementation on over 1066 watersheds and are implementing works of improvement in 300 active watershed projects.

11. Duplication or Overlap with Other Programs:
The program was not funded under the 2011 full-year continuing appropriations act. The Agency is in the process of closing out operations.

Small watershed program payments cannot be applied to payments on land for the same conservation purposes funded through other USDA conservation programs.

12. Waste, Fraud and Abuse:
No such instances have to date been identified.

13. Effect of Administrative Pay-go
None.

1. Program Name
The Watershed Rehabilitation Program
Prepared by USDA's NRCS

2. Subprogram/Department Initiatives
None

3. Brief History
The Watershed Rehabilitation Program (PL 106-472) is administered by NRCS to assist project sponsors with rehabilitation of aging project dams. Only dams installed under PL-566, the Pilot Watershed Program, PL-534, or RC&D Programs are eligible. This program provides technical and financial assistance to watershed project sponsors in rehabilitating aging dams in their communities.

4. Purpose/Goals
The purpose of PL 106-472 is to extend the service life of dams and meet applicable safety and performance standards. Priority is given to those structures that pose the highest risk to life and property. Projects are eligible when hazard to life and property increases due to downstream development and when there is need for rehabilitation to extend the planned life of a structure. Watershed Rehabilitation Program work can consist of repairing or replacing deteriorated components, repairing damages from catastrophic events, upgrading the structure to meet State dam safety laws, or to decommission a structure.

5. Success in Meeting Programmatic Purpose/Goals
The Natural Resources Conservation Service has authorized the rehabilitation of 162 of these high hazard dams in 22 States as of the end of FY 2010. As these structures were originally set in rural areas and designed and constructed as "low hazard" structures. As a result of land use change and downstream development, many of these dams now represent a "high hazard" to surrounding communities. These rehabilitated structures are now constructed to high hazard standard which provide millions of dollars of flood protection. Through this program, NRCS is making sure that the rehabilitation of these dams will not only ensure that these watershed dams remain safe and protect the lives of people, property, and infrastructure, but continue to provide flood control, recreation and wildlife habitat to the citizenry and communities for an additional 50 to 100 years.

6. Annual Budget Authority (FY 2002 – FY 2011)

FY	Appropriation ($ in millions)
2002	10
2003	30
2004	30
2005	27
2006	31
2007	31
2008	20
2009	40
2010	40
2011	18

7. Annual Outlays (FY 2002 – FY 2011)

FY	Outlays ($ in millions)
2002	6
2003	10
2004	19
2005	21
2006	21
2007	22
2008	31
2009	24
2010	32
2011	17

The Watershed Rehabilitation Program TA funds are generally expended in the year the funds are obligated. The only exception to this is when TA funds are obligated through an A&E for a Services contract to provide planning, design or quality assurance inspection during construction. FA funds are obligated after permitting and/or land rights are obtained. These funds are generally expended over a fiscal year, but can extend over multi-years for a complex dam rehabilitation project or for a project whose contract was awarded toward the end of the fiscal year. Given the nature of constructions projects, it is possible for outlays to carryon for multiple years after the initial appropriation or obligation of the funds. Watershed Rehabilitation Program funds are no-year funds.

8. Annual Delivery Cost (FY 2007 – FY 2011)

Annual delivery cost is reported consistent with the President's 2012 Budget and USDA's Strategic Plan:

	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Watershed Rehabilitation Program					
Conservation Planning and Technical Consultation	2,573	845	4,739	1,994	1,368
Conservation Implementation	2,799	2,972	16,667	7,008	4,805
Financial Assistance-Program Administration	1,193	342	1,918	806	553
Indirect Costs	10,460	3,135	17,581	7,392	5,070
Sub-total Technical Assistance	17,025	7,294	40,905	17,200	11,796
Financial Assistance - Cost Share & Monetary Incentive	14,284	12,566	49,095	22,961	28,365
Total Costs	31,309	19,860	90,000	40,161	40,161
FTEs	113	65	72	82	71

Notes: These numbers are consistent with the published "Full Cost by Secretary's Strategic Priorities" section of the Explanatory Notes for fiscal years 2009 through 2012 President's Budget submissions. In the table above, fiscal years 2007 through 2010 amounts are actual; fiscal year 2011 is an estimate from the fiscal year 2012 President's Budget submission. A copy of this section is an addendum to the Questionnaire.

Financial assistance funding is identified on the line titled, "Financial Assistance – Cost Share and Monetary Incentives." Funds associated with technical assistance are on the remaining four lines. A summary of technical assistance funding is provided for the purpose of this questionnaire.

Fiscal year 2009 includes $50 million in budget authority and associated FTE from the American Recovery and Reinvestment Act of 2009.

9. Eligibility Criteria

A dam must have been under proper and active maintenance, and only dams installed under PL-566, the Pilot Watershed Program, PL-534, or RC&D Programs are eligible.

Each project requires a local cooperating sponsor that works closely with NRCS to complete the rehabilitation of each dam. Each sponsor must provide thirty-five (35) percent of the costs to rehabilitation a dam. Through several means, sponsors in these communities contribute their funds through the collection bonds, County budgets, State appropriations, State park division, Municipal taxing authority, Watershed taxing authority, and through In-kind technical services.

11. Duplication or overlap with other programs

There is no duplication or overlap with other USDA conservation programs.

12. Waste, Fraud and Abuse

No such instances have to date been identified.

13. Effect of Administrative Pay-go

None.

1. Program Name
Healthy Forests Reserve Program (HFRP)
Prepared by USDA's NRCS

2. Subprograms/Department Initiatives
None

3. Brief History
Title V of the Healthy Forests Restoration Act of 2003 (Public Law 108-148) authorized the establishment of the Healthy Forests Reserve Program (HFRP) which was reauthorized by the 2008 Farm Bill.

HFRP provides financial assistance for specific conservation actions completed by the landowner. As funds are made available, the NRCS Chief solicits project proposals State Conservationists have developed in cooperation with partnering organizations. States selected for funding provide public notice of the availability of funding within the selected area. HFRP offers four enrollment options:

- *10-year restoration agreement* for which the landowner may receive 50 percent of the average cost of the approved conservation practices;
- *30-year contract* (equivalent to the value of a 30-year easement) for which the landowner may receive 75 percent of the easement value of the enrolled land plus 75 percent of the average cost of the approved conservation restoration practices. This option is available to Indian Tribes only;
- *30-year easement* for which the landowner may receive 75 percent of the easement value of the enrolled land plus 75 percent of the average cost of the approved conservation practices; or
- *Permanent easement* for which landowners may receive 100 percent of the easement value of the enrolled land plus 100 percent of the average cost of the approved conservation practices.

4. Purpose/Goals
HFRP assists landowners in restoring, enhancing, and protecting forest ecosystems to: 1) promote the recovery of threatened and endangered species; 2) improve biodiversity; and 3) enhance carbon sequestration. HFRP supports the NRCS Mission Goal of Healthy Plant and Animal Communities.

5. Success in Meeting Programmatic Purpose/Goals
The following provides examples of HFRP results:
<u>Oregon: Partnership Protects Working Forest and Enhances Habitat.</u> In FY 2010, NRCS partnered with the USFWS and the Oregon Department of Forestry (ODF) to provide private landowners the opportunity to create a northern spotted owl (NSO) habitat while maintaining a working forest. NSO habitat in the Pacific Northwest is an important criterion for defining healthy forests, making HFRP an excellent vehicle for this effort. NRCS developed HFRP long

term management requirements and sideboards as a supplement to the ODF Forest Stewardship Plan on 11 properties being offered for permanent easements.

The supplements specify the long term management requirements and sideboards of each individual property; some properties opted for even-age stand management and others for the uneven-age stand management regime. The FSP-HFRP supplement recognizes the requirements of a State of Oregon Stewardship Agreement and will require that the landowner intends to meet or exceed all Oregon Forest Practices Act standards current at the time of approval including provisions for Riparian Management Areas. The information contained in the supplement provides guidance and requirements to reach landowner and program goals and objectives. The supplements include area regulation timelines and overall forest management practices for thinning, patch cuts, planting, canopy cover requirements and specific management regimes for each property.

NRCS worked closely with USFWS and ODF to ensure consistency among agencies' requirements while developing the supplements. The supplements use forest management to enhance future NSO habitat and maintain existing habitat. NRCS, USFWS, and ODF entered into a programmatic Safe Harbor Agreement to provide assurances to the landowner if they manage the property according to the Forest Stewardship Plan supplement. NRCS develops conservation plans and landowner conservation program contracts to implement the conservation practices necessary for restoration, enhancement, and management for NSO as planned in the Forest Stewardship Plan supplement. NRCS has completed the supplement plans for 11 properties in western Oregon totaling 1,852 acres of valuable habitat for the endangered NSO on these potential permanent easements. The HFRP work has been an excellent demonstration of one-on-one conservation planning resulting in detailed landowner decisions while allowing management flexibility for plans that will stretch into perpetuity. This has been an excellent model for all nonindustrial forest planning.

6. Annual Budget Authority (FY 2002 – FY 2011)

FY	Funding
2002	-
2003	-
2004	-
2005	-
2006	-
2007	-
2008	-
2009	10
2010	10
2011	10

Note: Healthy Forests Reserve Program began Mandatory funding in 2009.

7. Annual Outlays (FY 2002 – FY 2011)

FY	Outlays ($ in millions)
2002	-
2003	-
2004	-
2005	-
2006	-
2007	-
2008	-
2009	1
2010	3
2011	6

Note: Healthy Forests Reserve Program began Mandatory funding in 2009.

HFRP FA funds support easement acquisition and restoration. Funds are expended when the easement is perfected or the practices necessary for restoration are installed and verified by NRCS personnel, both processes which may take over a year to complete. TA funds obligated in a given year are used for workload generated by the enrollment of new easements and workload generated by easements enrolled in prior years. The vast majority of TA funding tends to be expended in the year of obligation. FA funding represents the majority of program budget authority.

8. Annual Delivery Cost (FY 2007 – FY 2011)

Annual delivery cost is reported consistent with the President's 2012 Budget and USDA's Strategic Plan:

	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Healthy Forests Reserve Program					
Conservation Planning and Technical Consultation	19	12	180	187	301
Conservation Implementation	21	15	382	398	641
Financial Assistance-Program Administration	9	58	459	478	770
Indirect Costs	78	66	314	328	529
Sub-total Technical Assistance	127	151	1,335	1,391	2,241
Financial Assistance - Cost Share & Monetary Incentive	2,349	1,835	1,191	6,226	7,509
Total Costs	2,476	1,986	2,526	7,617	9,750
FTEs	1	2	5	6	23

Notes: These numbers are consistent with the published "Full Cost by Secretary's Strategic Priorities" section of the Explanatory Notes for fiscal years 2009 through 2012 President's Budget submissions. In the table above, fiscal years 2007 through 2010 amounts are actual; fiscal year 2011 is an estimate from the fiscal year 2012 President's Budget submission. A copy of this section is an addendum to the Questionnaire.

Financial assistance funding is identified on the line titled, "Financial Assistance – Cost Share and Monetary Incentives." Funds associated with technical assistance are on the remaining four lines. A summary of technical assistance funding is provided for the purpose of this questionnaire.

9. Eligibility Criteria
Only privately held land, including acreage owned by an Indian Tribe, is eligible for enrollment in HFRP. In addition, to be eligible, the landowner must commit to restoring, enhancing, or measurably increasing the likelihood of recovery of a threatened or endangered species or candidates for the Federal or State threatened or endangered species list, and must improve biological diversity or increase carbon sequestration. Land enrolled in HFRP must have a restoration plan that includes practices necessary to restore and enhance habitat for species listed as threatened or endangered or species that are candidates for the threatened or endangered species list. NRCS provides technical assistance to help owners comply with the terms of their HFRP restoration plans.

Landowners may receive safe harbor assurance for land enrolled in the HFRP who agree, for a specified period, to protect, restore, or enhance their land for threatened or endangered species habitat. In exchange, landowners avoid future regulatory restrictions on the use of that land under the Endangered Species Act.

10. Utilization (Participation) Data

Contract Fiscal Year 2010

	10-Year Restoration Agreements	30-Year Easements	Permanent Easements
Number / 1	1	2	9
Acres / 1	2,747	1,416	1,472
Dollars Obligated	$599,988	$882,139	$4,994,249

/ 1 Numbers currently reported in NEST are undergoing an intense quality assurance review.

11. Duplication or Overlap with Other Programs
To the extent that these programs each allow for 10-year restoration agreements to improve wildlife habitat, there is duplication and overlap with the WHIP program and the 10-year restoration agreement portion of HFRP.

12. Waste, Fraud and Abuse
No such instances have to date been identified.

13. Effect of Administrative Pay-go
None.

House Committee on Agriculture
Farm Bill Audit

1. Program Name
Conservation Security Program (Security)
Prepared by USDA's NRCS

2. Subprograms/Department Initiatives
None

3. Brief History
The 2002 Farm Bill authorized the Security. Except for existing Security contracts, Security was replaced by the Conservation Stewardship Program (Stewardship) by the 2008 Farm Bill.

Security is a voluntary program that provides financial and technical assistance through 5- to 10-year contracts to promote the conservation and improvement of soil, water, air, energy, plant and animal life, and other conservation purposes on Tribal and private working lands.

The Chief of NRCS may implement Security in all 50 States, the Caribbean Area, and the Pacific Basin area. The program provides equitable access to benefits to all producers, regardless of size of operation, crops produced, or geographic location.

4. Purpose/Goals
Security's goal is to identify and reward those farmers and ranchers who are meeting the highest standards of conservation and environmental management on their operations and to support ongoing stewardship of private agricultural lands by providing payments for maintaining and enhancing natural resources.

5. Success in Meeting Programmatic Purpose/Goals
In Fiscal Year 2011, a total of $180,292,191 was expended to cover the obligations of 15,031 prior year contracts (2004-2008).

6. Annual Budget Authority (FY 2002 – FY 2011)

FY	Appropriation ($ in millions)
2002	-
2003	4
2004	41
2005	202
2006	259
2007	297
2008	379
2009	283
2010	234
2011	204

7. Annual Outlays (FY 2002 – FY 2011)

FY	Outlays ($ in millions)
2002	-
2003	-
2004	38
2005	186
2006	263
2007	294
2008	309
2009	276
2010	220
2011	205

Security's FA funds are obligated separately for each year of the contract with the producer. They are expended during the the year of obligation. TA funds obligated for a given year are used for workload generated by prior year contract implementation. The vast majority of TA funding also are expended in the year of obligation. FA funding represents the majority of program budget authority.

8. Annual Delivery Cost (FY 2007 – FY 2011)

Annual delivery cost is reported consistent with the President's 2012 Budget and USDA's Strategic Plan:

	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Conservation Security Program					
Conservation Planning and Technical Consultation	2,033	2,228	1,264	941	990
Conservation Implementation	2,348	2,920	1,657	1,233	1,297
Financial Assistance-Program Administration	17,204	11,714	6,647	4,947	5,205
Indirect Costs	4,321	27,728	20,315	15,120	13,446
Sub-total Technical Assistance	25,906	44,590	29,883	22,241	20,938
Financial Assistance - Cost Share & Monetary Incentive	268,451	272,461	246,121	199,928	182,468
Total Costs	294,357	317,051	276,004	222,169	203,406
FTEs	200	367	220	154	132

Notes: These numbers are consistent with the published "Full Cost by Secretary's Strategic Priorities" section of the Explanatory Notes for fiscal years 2009 through 2012 President's Budget submissions. In the table above, fiscal years 2007 through 2010 amounts are actual; fiscal year 2011 is an estimate from the fiscal year 2012 President's Budget submission. A copy of this section is an addendum to the Questionnaire.

Financial assistance funding is identified on the line titled, "Financial Assistance – Cost Share and Monetary Incentives." Funds associated with technical assistance are on the remaining four lines. A summary of technical assistance funding is provided for the purpose of this questionnaire.

9. Eligibility Criteria

- Applicants must have submitted an application applied prior to Oct. 1, 2008.
- Eligible applicants include an individual producer, partnership, association, corporation, estate, trust, other business or other legal entities controlling eligible lands. The term producer means an owner, operator, landlord, tenant or sharecropper that shares in the risk of producing any crop or livestock; and must be entitled to share in the crop or livestock available for marketing from an agricultural operation.
- An applicant must be in compliance with highly erodible land and wetland conservation provisions, and average adjusted gross income requirements.
- Working lands include cropland, grassland, prairie land, improved pasture, and range land, as well as forested land that is an incidental part of an agriculture operation.

10. Utilization (Participation) Data

Security Dollars Obligated on Active/Completed Contracts data include:

	Financial Assistance Obligated	Technical Assistance Obligated
Total	$199,927,828.26	$16,985,614.49

11. Duplication or Overlap with Other Programs

Because Security is available only for contracts that were entered into prior to the enactment date of the 2008 Farm Bill, a producer who receives Security payments cannot also receive payments under the Stewardship.

12. Waste, Fraud and Abuse

In July 2009, OIG issued an audit report on the Conservation Security Program. They noted potential improper payments made to participants that were ineligible and participants that received payments for more than one Security contract at a time. The audit involved review of 20,653 contracts. Of those contracts, 37 percent (7,666) contained errors, mostly minor or technical in nature. Three contracts (less than 1 percent of all the contracts) were found to be fraudulent. Corrective actions were taken on all errors and were completed by December 31, 2009.

To recover the improper payments that were made, NRCS sent demand letters and bills to participants. For certain participants, liquidated damages have also been assessed. NRCS has recovered $4.618 million to date as result of these corrective actions. To remediate the situation, updated procedures were issued to require field verifications prior to funds being obligated. NRCS continues to aggressively recover all improper payments made.

13. Effect of Administrative Pay-go

None.

House Committee on Agriculture
Farm Bill Audit

1. Program Name
Conservation Stewardship Program (Stewardship)
Prepared by USDA's NRCS

2. Subprograms/Department Initiatives
None

3. Brief History
The 2008 Farm Bill authorized Stewardship with an enrollment of 12,769,000 acres for each fiscal year (FY) for the period beginning October 1, 2008, and ending on September 30, 2017. The Chief of NRCS makes Stewardship available to all producers, regardless of operation size or crops produced, in all 50 States, the District of Columbia, and the Caribbean and Pacific Island areas.

Since it was first funded in 2008, Stewardship has enrolled 20,567, 5-year contracts on over 25.1 million acres.

4. Purpose/Goals
The purpose of Stewardship, as a voluntary program, is to encourage agricultural and forestry producers to address resource concerns by: (1) undertaking additional conservation activities; and (2) improving and maintaining existing conservation systems. Stewardship provides financial and technical assistance to help land stewards conserve and enhance soil, water, air, and related natural resources on their land.

Stewardship participants for conservation performance—the higher the performance, the higher the payment. It provides two possible types of payments. An annual payment is available for installing new conservation activities and maintaining existing practices. A supplemental payment is available to participants who also adopt a resource conserving crop rotation. Through five-year contracts, NRCS makes payments as soon as practical after October 1 of each fiscal year for contract activities installed and maintained in the previous year.

5. Success in Meeting Programmatic Purpose/Goals
In FY 2010:
- NRCS enrolled 20,567 contracts on 25,164,327 acres.
- The value of the contracts is $320,399,890.
- The average contract size is 1,224 acres.
- On average, NRCS agreed to reimburse participants $15,578 for each contract.

6. Annual Budget Authority (FY 2002 – FY 2011)

FY	Appropriation ($ in millions)
2002	-
2003	-
2004	-
2005	-
2006	-
2007	-
2008	-
2009	10
2010	469
2011	601

7. Annual Outlays (FY 2002 – FY 2011)

FY	Outlays ($ in millions)
2002	-
2003	-
2004	-
2005	-
2006	-
2007	-
2008	-
2009	5
2010	51
2011	389

Stewardship's FA funds are obligated separately for each year of the five year contract for installing new or maintaining existing conservation activities. FA funds are expended one year after obligation, after NRCS personnel perform a field visit to site-verify that the conservation activities are installed and maintained to specifications. TA funds obligated in a given year are used for workload generated by the enrollment of new contracts and workload generated by prior year contract implementation. The vast majority of TA funding tends to be expended in the year of obligation. FA funding represents the majority of program budget authority.

8. Annual Delivery Cost (FY 2007 – FY 2011)

Annual delivery cost is reported consistent with the President's 2012 Budget and USDA's Strategic Plan:

	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Conservation Stewardship Program					
Conservation Planning and Technical Consultation	-	-	398	2,939	3,356
Conservation Implementation	-	-	520	3,849	4,397
Financial Assistance-Program Administration	-	-	2,086	15,440	17,645
Indirect Costs	-	-	6,374	47,187	45,581
Sub-total Technical Assistance	-	-	9,378	69,415	70,979
Financial Assistance - Cost Share & Monetary Incentive	-	-	-	320,398	529,855
Total Costs	-	-	9,378	389,813	600,834
FTEs	-	-	75	496	540

Notes: These numbers are consistent with the published "Full Cost by Secretary's Strategic Priorities" section of the Explanatory Notes for fiscal years 2009 through 2012 President's Budget submissions. In the table above, fiscal years 2009 and 2010 amounts are actual; fiscal year 2011 is an estimate from the fiscal year 2012 President's Budget submission. A copy of this section is an addendum to the Questionnaire.

Financial assistance funding is identified on the line titled, "Financial Assistance – Cost Share and Monetary Incentives." Funds associated with technical assistance are on the remaining four lines. A summary of technical assistance funding is provided for the purpose of this questionnaire.

9. Eligibility Criteria

- Eligible land includes cropland, grassland, prairie land, improved pastureland, rangeland, nonindustrial private forest land, and agricultural land under the jurisdiction of an Indian tribe.
- Eligible applicants include individuals, legal entities, joint operations, or Indian tribes. Applicants must be the operator of record in the USDA farm records management system for the eligible land being offered for enrollment and have effective control of the land for the term of the proposed contract.
- Applicants must be in compliance with the highly erodible land and wetland conservation provisions requirements and adjusted gross income provisions prior to receiving program payments.

Stewardship contract provisions provide:

- A person or legal entity may have more than one Stewardship contract but, for all Stewardship contracts combined, may not receive more than $40,000 in any year or more than $200,000 during any five-year period.
- The contract limit is the same as the payment limit except in the case of joint operations, for which the contract limit is $80,000 per fiscal year and $400,000 over the term of the contract period.

10. Utilization (Participation) Data
2010 Stewardship Application/Contract Status data includes:

	Number of Active and Completed Contracts	Financial Assistance Obligated	Total Treated Acres	Technical Assistance Obligated
Total	20,567	$320,397,871	25,164,327	$ 59,940,382

11. Duplication or Overlap with Other Programs
Some of the practices offered through Stewardship to meet the minimum threshold at the end of the contract are also offered through other programs such as EQIP. Utilizing Stewardship for this purpose increases the additionality intent and uniqueness of the program.

12. Waste, Fraud and Abuse
In an effort to implement lessons learned from the 2009 Conservation Security Program OIG audit, NRCS undertook an independent inquiry of 2010 Conservation Stewardship Contracts. The agency reviewed 10 random contracts from 15 selected States after all States completed a "Checklist to Address Conservation Stewardship Program O&E Review Findings." The results of the review showed inconsistencies in the calculation of additional activity points. To address these matters NRCS has undertaken an extensive follow-up regime with all States providing additional guidance, training, written directives and net conferences to alleviate the problem. Finally, each new contract entered into must now have a NRCS conservationist field review the operation's on-the-ground compliance prior to enrollment.

13. Effect of Administrative Pay-go
None.

House Committee on Agriculture
Farm Bill Audit

1. Program Name
Wetlands Reserve Program (WRP)
Prepared by USDA's NRCS

2. Subprograms/Department Initiatives
None

3. Brief History
Congress first authorized WRP in the 1990 Farm Bill and has reauthorized it with little change in the three Farm Bills since. WRP is a voluntary program that provides technical and financial assistance to enable eligible landowners to address wetland, wildlife habitat, soil, water and related natural resource concerns on private lands in an environmentally beneficial and cost effective manner. The program achieves solutions to local community issues related to farms, ranches, rural lands and other areas by establishing easements and long-term agreements on eligible farmlands and establishing 30 year contracts on Tribal lands**.** Over the last 20 years, WRP's voluntary, private lands approach has made it the Federal Government's private lands wetland restoration and conservation program. Year after year, WRP has delivered benefits to both the individuals participating and the American public benefitting from the services the WRP wetlands provide.

4. Purpose/Goals
The primary purpose of WRP is the restoration, protection and enhancement of wetlands and associated habitats for the benefit of wetland-dependent wildlife, with an emphasis on migratory birds and special status species. The WRP goal is to achieve the greatest wetland functions and values, along with optimum wildlife habitat, on every acre enrolled in the program. WRP is most suited for frequently flooded agricultural lands, where restoration will maximize habitat for migratory birds and other wildlife, and improve water quality. WRP focuses on:

- Enrolling marginal lands that have a history of crop failures or low production yields;
- Restoring and protecting wetland values on degraded wetlands;
- Maximizing wildlife benefits;
- Achieving cost-effective restoration with a priority on benefits to migratory birds;
- Protecting and improving water quality; and
- Reducing the impact of flood events.

5. Success in Meeting Programmatic Purpose/Goals
WRP has become the preeminent federal private lands program for protecting and restoring wetlands. Over the last 20 years, WRP has helped more than 11,000 private landowners voluntarily restore, protect and enhance wetlands and wildlife habitat on over 2.3 million acres nationwide. Currently, about 30 percent of those acres are in the restoration process and will require continued conservation assistance in order to reach full restoration. WRP has proven to be a program under which NRCS, landowners and many various partners can work together to achieve truly cooperative conservation resulting in long-term benefits on a landscape scale that will ensure our wetland resources are available for future generations.

6. Annual Budget Authority (FY 2002 – FY 2011)

FY	Appropriation ($ in millions)
2002	275
2003	306
2004	280
2005	273
2006	273
2007	283
2008	184
2009	571
2010	675
2011	611

7. Annual Outlays (FY 2002-FY 2011)

FY	Outlays ($ in millions)
2002	-
2003	98
2004	231
2005	205
2006	234
2007	154
2008	249
2009	131
2010	278
2011	348

WRP TA funds support staff time needed to conduct eligibility determinations, finalize easement transactions, complete restoration designs, develop management and maintenance plans, and conduct monitoring of wetlands under easement. WRP FA funds support the easement costs paid to the landowner, restoration costs paid for implementation of restoration design, and implementation costs for maintenance and repairs on existing easements. FA for easement acquisition is obligated when the acres to be placed under easement are enrolled but is not expended until the easement is perfected, a process that may take years. FA for restoration is obligated when contracts are developed based on final restoration designs but is not expended until the installation of practices used to restore the wetlands is complete and verified by NRCS personnel, which also may occur over several years. TA funds obligated in a given year are used for workload generated by the enrollment of new acres and workload generated by acquisition, restoration, and monitoring of prior year enrollments which requires the majority of the TA funds obligated in a given year. FA funding represents the majority of program budget authority.

8. Annual Delivery Cost (FY 2007 – FY 2011)

Annual delivery cost is reported consistent with the President's 2012 Budget and USDA's Strategic Plan:

	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Wetlands Reserve Program					
Conservation Planning and Technical Consultation	4,346	2,363	2,191	2,558	3,807
Conservation Implementation	21,771	12,719	11,791	13,764	20,482
Financial Assistance-Program Administration	17,382	11,186	10,370	12,106	18,015
Indirect Costs	16,599	6,923	6,418	7,492	11,148
Sub-total Technical Assistance	60,098	33,191	30,770	35,920	53,452
Financial Assistance - Cost Share & Monetary Incentive	187,757	149,758	404,941	594,219	672,647
Total Costs	247,855	182,949	435,711	630,139	726,099
FTEs	190	225	191	217	343

Notes: These numbers are consistent with the published "Full Cost by Secretary's Strategic Priorities" section of the Explanatory Notes for fiscal years 2009 through 2012 President's Budget submissions. In the table above, fiscal years 2007 through 2010 amounts are actual; fiscal year 2011 is an estimate from the fiscal year 2012 President's Budget submission. A copy of this section is an addendum to the Questionnaire.

Financial assistance funding is identified on the line titled, "Financial Assistance – Cost Share and Monetary Incentives." Funds associated with technical assistance are on the remaining four lines. A summary of technical assistance funding is provided for the purpose of this questionnaire.

9. Eligibility Criteria

Owners of private and tribal lands are eligible to participate in the WRP. WRP offers a perpetual easement, 30-year easement, or 10-year restoration cost-share agreement available to all private and tribal landowners and a 30-year contract option for tribal landowners only. Land is eligible if it contains wetlands that have been degraded primarily as a result of agricultural use and have a high likelihood of successful restoration that will maximize wildlife benefits and wetland functions and values taking cost into consideration. Associated habitats and lands functionally related to the eligible wetlands may also be enrolled if they will contribute significantly to the wetland functions and values or practical administration of the enrolled area.

10. Utilization (Participation) Data

During the 2008 Farm Bill, WRP has enrolled an average of approximately 215,000 acres on 1,200 projects each year. Since its inception in 1992, WRP has enrolled over 2.3 million acres on over 11,000 projects. The majority of enrollments, over 77 percent are perpetual easements, 16 percent are 30-year easements and 30-year contracts with tribes, and the remaining 6 percent are restoration cost-share agreements.

2010 WRP Number of Agreements and Dollars Obligated data includes:

	30-Year Contracts		**30-Year Easements**		**Permanent Easements**		**Restoration Cost Share Agreement**		**Total Agreements**			
	Acres	**Number**	**Acres**	**Number**	**Acres**	**Number**	**Acres**	**Number**	**Acres**	**Number**	**Financial Assistance Obligated**	**Technical Assistance Obligated**
Total	1,761	4	60,154	425	206,692	954	4,155	31	272,762	1,414	$592,562,106	$28,910,632

Note: Numbers currently reported in NEST are undergoing an intense quality assurance review. Numbers are subject to change during this process.

11. Duplication or Overlap with Other Programs

There is some potential overlap of the restoration cost-share agreement enrollment option of WRP with WHIP. Because the restoration cost-share agreement enrollment option does not have an associated easement, it provides technical and financial assistance in the form of a cost-share agreement for the implementation of wetland restoration. The wetland restoration practices implemented through the WRP restoration cost-share agreements would potentially be eligible for cost-share under WHIP. The primary benefit of the WRP restoration cost-share agreement that sets it apart from WHIP is the length of the agreement. The WRP agreements require the restoration to be maintained for a longer period of time – a minimum of ten years after the date the last practice is installed and, in contrast, WHIP agreements can be for one year to a maximum of ten years. Thus, the WRP restoration cost-share agreements provide for a longer term protection of the public investment and realization of the public benefits resulting from the restored wetlands.

CRP land eligibility criteria is more narrow than WRP. The nature of the agreements with landowners is also vastly different. Although there may be some overlap of eligible land with the CRP, WRP does not offer enrollment options similar to CRP.

12. Waste, Fraud and Abuse

No such instances have to date been identified.

13. Effect of Administrative Pay-go

None.

1. Program Name
Farm and Ranch Lands Protection Program (FRPP)
Prepared by USDA's NRCS

2. Subprograms/Department Initiatives
None

3. Brief History
FRPP was last reauthorized in 2008 Farm Bill. This legislation expanded the purpose of the Farm and Ranch Lands Protection Program from "protecting topsoil" to "protecting agricultural use and related conservation values of the land." The program now allows for long term agreements with cooperating entities. Such agreements may be 5 years in duration for certified entities and 3 years for eligible entities that are not certified. The 2008 Farm Bill defines a "certified entity" as an eligible entity with a proven record of acquiring and monitoring conservation easements. Entities may submit proposals to protect farm and ranch lands throughout the term of the agreement.

4. Purpose/Goals
FRPP is a voluntary program that helps farmers and ranchers keep their land in agriculture. The program provides matching funds to State, Tribal, or local governments and non-governmental organizations with existing farm and ranch land protection programs to purchase conservation easements.

5. Success in Meeting Programmatic Purpose/Goals
The following is an example of the benefits of FRPP:

The 180-acre Carpenter Farm and the 142-acre Sparks Farm in Salem County were protected from development with funding from the State Agriculture Development Committee (SADC), Garden State Preservation Trust, and FRPP. The Carpenter Farm has been in agriculture for more than 300 years. Wheat and soybeans are the primary crops cultivated on the Sparks Farm. In addition to protecting rich, fertile farmland and investing in the agricultural economy of the region, preserving these lands also provides a significant environmental benefit. The resulting land and waterscape is one of the top areas in the State for waterfowl diversity and has been designated an Important Bird Area by New Jersey Audubon.

6. Annual Budget Authority (FY 2002 – FY 2011)

FY	Appropriation ($ in millions)
2002	50
2003	100
2004	112
2005	112
2006	74
2007	74
2008	97
2009	121
2010	150
2011	175

7. Annual Outlays (FY 2002 – FY 2011)

FY	Outlays ($ in millions)
2002	-
2003	15
2004	54
2005	63
2006	59
2007	91
2008	73
2009	74
2010	102
2011	97

FRPP FA funds are obligated the year parcels are enrolled in the program but not expended until easements are closed, which may take several years. TA funds obligated in a given year are used for workload generated by the enrollment of new parcels and workload generated by parcels enrolled in prior years. The vast majority of TA funding tends to be expended in the year of obligation. FA funding represents the majority of program budget authority.

8. Annual Delivery Cost (FY 2007 – FY 2011)

Annual delivery cost is reported consistent with the President's 2012 Budget and USDA's Strategic Plan:

Farm and Ranch Lands Protection Program	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Conservation Planning and Technical Consultation	N/A	325	336	336	460
Conservation Implementation	N/A	17	18	18	25
Financial Assistance-Program Administration	958	3,704	3,828	3,830	5,248
Indirect Costs	2,185	1,615	1,669	1,670	2,289
Sub-total Technical Assistance	3,143	5,661	5,851	5,854	8,022
Financial Assistance - Cost Share & Monetary Incentive	69,940	90,520	112,915	144,042	166,978
Total Costs	73,083	96,181	118,766	149,896	175,000
FTEs	24	29	34	29	44

Notes: These numbers are consistent with the published "Full Cost by Secretary's Strategic Priorities" section of the Explanatory Notes for fiscal years 2009 through 2012 President's Budget submissions. In the table above, fiscal years 2007 through 2010 amounts are actual; fiscal year 2011 is an estimate from the fiscal year 2012 President's Budget submission. A copy of this section is an addendum to the Questionnaire.

Financial assistance funding is identified on the line titled, "Financial Assistance – Cost Share and Monetary Incentives." Funds associated with technical assistance are on the remaining four lines. A summary of technical assistance funding is provided for the purpose of this questionnaire.

9. Eligibility Criteria

Individual landowners must apply to and be accepted by the eligible State, Tribe, or local government or nongovernmental programs to participate in FRPP. As a Title XII program, these individual landowners must meet Farm Bill payment eligibility requirements for adjusted gross income, wetland conservation, and highly erodible land conservation. The land to be enrolled in FRPP must meet one of three criteria to qualify for consideration: 1) have at least 50 percent prime, unique, or important farmland soil; 2) have historic or archeological resources; or 3) support the policies of a State or local farm and ranch lands protection program.

To qualify, farmland must: be part of a pending offer from a State, tribe, or local farmland protection program; be privately owned; have a conservation plan for highly erodible land; be large enough to sustain agricultural production; be accessible to markets for what the land produces; have adequate infrastructure and agricultural support services; and have surrounding parcels of land that can support long-term agricultural production. Depending on funding availability, proposals must be submitted by the eligible entities to the appropriate NRCS State Office during the application window.

10. Utilization (Participation) Data

2010 FRPP Number of Parcels and Dollars Obligated data includes:

	Number of Parcels / 1	Acres / 1	Financial Assistance Obligated for Easement Acquisition	Technical Assistance Obligated
Total	403	170,412	$144,041,755	$4,425,878

/ 1 Numbers currently reported in NEST are undergoing an intense quality assurance review. Numbers are subject to change during this process.

11. Duplication or Overlap with Other Programs
GRP also offers long-term and permanent easements to protect grazing lands from conversion to other uses. Lands eligible for GRP are generally eligible for FRPP; however, FRPP is more broadly applicable to include cropland or other lands that may not be eligible for GRP.

12. Waste, Fraud and Abuse
NRCS has uncovered few instances of entity misuse of landowner contributions in acquiring easements through FRPP. However, a 2005 OIG audit found that the entity coerced landowners into returning some of the proceeds of the sale of the easement to the entity, who had claimed these as part of their non federal match. As a result, the entity did not pay the required 25 percent of the purchase price for the FRPP easement. In response, NRCS terminated the agreement with the eligible entity and arranged for parcels to be included in a subsequent agreement with another eligible entity. Internal controls have been instituted that require landowners to sign a "Confirmation of Matching Funds" to ensure that cooperating entities do not use landowners' proceeds from the easement acquisition to cover the entities' contribution. In addition NRCS State Office staff interview landowners to be certain that they are not being forced to provide the entity cash match.

In Wisconsin, the eligible entity misrepresented the source of its funds by certifying that it had not obtained the money from landowners when it had. This resulted in NRCS overpaying on these easements. The Office of General Counsel is currently reviewing legal options. As a result of this case, changes were made to FRPP policy requiring NRCS State office staff to visit every FRPP parcel and interview every landowner, inform them of FRPP regulations, and confirm the estimated easement value, Federal contribution, entity contribution, landowner donation, and recommended contribution to stewardship funds before a cooperative agreement is signed.

13. Effect of Administrative Pay-go
None.

House Committee on Agriculture
Farm Bill Audit

1. Program Name

Resource Conservation and Development (RC&D)
Prepared by USDA's NRCS

2. Subprograms/Department Initiatives

None

3. Brief History

RC&D was initiated under the Soil Conservation and Domestic Allotment Act, (16 U.S.C. 590a-590f), the Bankhead-Jones Farm Tenant Act (16 U.S.C. 1010 and 1011), and the Food and Agriculture Act of 1962, and is authorized under subtitle H, title XV of the Agriculture and Food Act of 1981, (16 U.S.C. 3451-3461), as amended. Through the program, RC&D areas establish or improve coordination systems in rural communities, and build rural community leadership skills to more effectively use Federal, State, and local programs for the communities' benefit. The 2002 Farm Bill permanently authorized the program. The 2008 Act further strengthened the relationship between USDA and RC&D areas. The program began with 10 pilot areas and grew to 375 areas designated by the Secretary of Agriculture.

A RC&D area is a locally defined multi-county area, sponsored and directed by a RC&D Council that carries out the program encouraging natural resource conservation and utilization, accelerated economic development, and/or improvement of social conditions where needed to foster a sound local economy. The Council consists of sponsors from the public and private sector that represent a diverse cross-section of community interests. Sponsors include county and city governments, soil and water conservation districts, sub-State districts, Tribal governments, and other interested private organizations in the area. RC&D is based on grassroots involvement and decision-making. From public meetings to identify community concerns, needs, and problems, the Council develops an area plan that details the goals, objectives, and action items needed to address the local communities' priorities and concerns. The Council then collects data about identified problems, develops alternatives, and recommends solutions. Implementation of an action item may include one step or a full range of steps, such as problem identification, development of alternatives, plan development, and funding.

4. Purpose/Goals

The purpose of the RC&D is to—
(i) Develop and carry out area plans and projects in designated areas in order to conserve, develop, and improve the use of land.
(ii) Develop natural resources.
(iii) Improve and enhance the social, economic, and environmental conditions in primarily rural areas of the United States.
(iv) Encourage and improve the capability of State and local units of government, Indian Tribes, nonprofit organizations, and councils.

The mission of the RC&D Program was to make the financial, administrative, educational, and technical resources of USDA and other public and private partners available to increase the ability of communities to meet their regionally identified resource conservation and economic development needs.

5. Success in Meeting Programmatic Purpose/Goals

The program has been successful in meeting its purpose and goals. Each year RC&D Councils and their partners, with technical assistance from NRCS, help to create, retain, and expand businesses and the formation of cooperatives. Council projects create and retain jobs. Each Council brings in external grant funds for direct project implementation into their area.

RC&D Councils assist farm or ranch operations with agri-tourism activities and direct marketing from the field to the consumer via Community Supported Agriculture groups (CSAs), restaurants, commercial stores, or public access farmers markets.

Efforts to improve natural resources within RC&D areas result in the improvement of wildlife habitat, lakes and other water bodies, and streams. RC&D Councils assist animal agricultural operations with water quality projects; assist the construction or rehabilitation of flood control structures; and preserve or protect agricultural land. Over the last 5-8 years, RC&D Councils have begun implementing renewable energy projects.

RC&D Councils hold workshops, tours and seminars nationwide on agriculture, aquaculture, forestry and wildlife; and training sessions on leadership development, grant writing, business development, non-profit management and environmental education. These educational projects have helped people develop new skills.

6. Annual Budget Authority (FY 2002 – FY 2011)

FY	Appropriation ($ in millions)
2002	48
2003	51
2004	52
2005	51
2006	51
2007	51
2008	51
2009	51
2010	51
2011 _/ 1	-

_/ 1 The 2011 appropriations act provided no funding for this program. Based on authority provided through multiple short-term continuing resolutions, a total of $27 million was available for this program through April 15, 2011.

7. Annual Outlays (FY 2002 – FY 2011)

FY	Outlays ($ in millions)
2002	49
2003	49
2004	51
2005	51
2006	51
2007	52
2008	52
2009	51
2010	50
2011	22

RC&D primarily funded the support of RC&D Coordinators. Given the nature of this expense, outlays generally occurred in the year of appropriation and obligation. Prior to 2009, RC&D funds were no-year funds.

8. Annual Delivery Cost (FY 2007 – FY 2011)

Annual delivery cost is reported consistent with the President's 2012 Budget and USDA's Strategic Plan:

	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Resource Conservation and Development					
Conservation Planning and Technical Consultation	27,693	21,364	21,364	21,364	21,364
Conservation Implementation	21,495	19,355	19,355	19,355	19,355
Financial Assistance-Program Administration	N/A	N/A	N/A	N/A	N/A
Financial Assistance - Cost Share & Monetary Incentive	N/A	N/A	N/A	N/A	N/A
Indirect Costs	1,900	10,011	10,011	10,011	10,011
Total Costs	51,088	50,730	50,730	50,730	50,730
FTEs	453	440	412	403	423

Notes: These numbers are consistent with the published "Full Cost by Secretary's Strategic Priorities" section of the Explanatory Notes for fiscal years 2009 through 2012 President's Budget submissions. In the table above, fiscal years 2007 through 2010 amounts are actual; fiscal year 2011 is an estimate from the fiscal year 2012 President's Budget submission. A copy of this section is an addendum to the Questionnaire.

Financial assistance funding is identified on the line titled, "Financial Assistance – Cost Share and Monetary Incentives," Funds associated with technical assistance are on the remaining four lines. A summary of technical assistance funding is provided for the purpose of this questionnaire.

9. Eligibility Criteria

Eligible entities for the RC&D program are are a non-profit entities that are established by volunteers or representatives of States, local units of government, Indian tribes, or local nonprofit organizations specifically to participate in the RC&D program. They apply to the Secretary of Agriculture to be designated as a USDA RC&D area. The size and configuration of an area must be based on an assessment of rural development needs, institutional arrangements, and the natural resources of the region. Boundaries of an RC&D area are established on a multijurisdictional basis to make the most efficient use of area plans relating to land conservation, land management, community development, and environmental enhancement. Commonality of existing needs and opportunities are important aspects relating to the geographic boundaries of the area. The Secretary selects designated areas for assistance on the basis of the elements of the RC&D Council's area plan.

10. Utilization (Participation) Data

There are 375 RC&D areas serving 2,696 counties in every State, the Caribbean, and the Pacific Basin. Designated areas continue to serve over 85 percent of U.S. counties and more than 77 percent of the U.S. population. There are 39 applicant areas covering 236 additional counties that have applied for the designation by USDA.

11. Duplication or Overlap with Other Programs

The Federal support for the program was not funded under the 2011 Full-Year Continuing Appropriations and Agency technical support for the program is being closed out. RC&D councils may continue to compete to participate in other programs.

12. Waste, Fraud and Abuse

No such instances have to date been identified.

13. Effect of Administrative Pay-go

None.

House Committee on Agriculture
Farm Bill Audit

1. Program Name

Environmental Quality Incentives Program (EQIP)
Prepared by USDA's NRCS

2. Subprograms/Department Initiatives

Agricultural Water Enhancement Program
Conservation Innovation Grants (CIG)
Organics
Air Quality Initiative

3. Brief History

EQIP was established in the 1996 Farm Bill and was reauthorized in the 2002 and 2008 Farm Bills. The Chief of NRCS may implement EQIP in any of the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Virgin Islands of the United States, American Samoa, and the Commonwealth of the Northern Mariana Islands.

4. Purpose/Goals

NRCS is charged with carrying out EQIP in a manner that optimizes environmental benefits and provides:

- Flexible technical and financial assistance to farmers and ranchers that face the most serious threats to soil, water, air, and related natural resources;
- Assistance to farmers and ranchers in complying with Federal, State, and local environmental regulatory requirements;
- Assistance to farmers and ranchers in making beneficial, cost-effective changes to cropping systems, grazing management, manure, nutrient, pest, or irrigation management, land uses, or other measures needed to conserve and improve soil, water, air, and related natural resources; and
- For the consolidation and simplification of conservation planning and implementation to reduce the administration burden on producers.

5. Success in Meeting Programmatic Purpose/Goals –

In FY 2010:

- NRCS enrolled almost 36,500 agreements on over 13,000,000 acres.
- The value of the contracts was over $839 million.
- The average agreement size is 357 acres.
- On average, NRCS agreed to reimburse participants approximately $23,000 for each agreement.

6. Annual Budget Authority (FY 2002 – FY 2011)

EQIP supports CCPI and CIG. These are not appropriated separately or tracked separately in the NRCS financial system.

FY	Appropriation ($ in millions)
2002	200
2003	695
2004	975
2005	1,000
2006	995
2007	996
2008	1,200
2009	1,067
2010	1,180
2011	1,238

7. Annual Outlays (FY 2002 – FY 2011)

FY	Outlays ($ in millions)
2002	185
2003	626
2004	859
2005 / 1	-531
2006	771
2007	815
2008	953
2009	943
2010	1,059
2011	1,171

/ 1 In FY 2005, the EQIP program was transferred to NRCS from FSA and as a result the advance to FSA was transferred back to NRCS. This resulted in a decrease of obligations for NRCS and a decrease to advances (4222) for FSA; and since 4222 activity is subtracted from gross outlays on the Statement of Budgetary Resources (SBR), FSA shows an increase in outlays for this program at the same time NRCS shows a decrease in outlays.

EQIP FA funds are obligated the year of contract enrollment for the entire multi-year span of the contract. As the years pass, FA for contracted practices is not expended until the practices are installed and inspected for quality control by NRCS personnel. For this reason, FA funds tend to be expended over multiple years after obligation. TA funds obligated in a given year are used for workload generated by the enrollment of new contracts and workload generated by prior year contract implementation. The vast majority of TA funding tends to be expended in the year of obligation. FA funding represents the majority of program budget authority.

8. Annual Delivery Cost (FY 2007 – FY 2011)

Annual delivery cost is reported consistent with the President's 2012 Budget and USDA's Strategic Plan:

	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Environmental Quality Incentives Program					
Conservation Planning and Technical Consultation	27928	17,315	19,132	20,429	22,277
Conservation Implementation	119171	89,704	99,117	105,837	115,411
Financial Assistance-Program Administration	80,152	60,221	66,540	71,051	77,479
Indirect Costs	15,460	101,729	112,404	120,025	130,883
Sub-total Technical Assistance	242,711	268,969	297,193	317,342	346,050
Financial Assistance - Cost Share & Monetary Incentive	750,140	924,221	757,389	856,697	833,950
Total Costs	992,851	1,193,190	1,054,582	1,174,039	1,180,000
FTEs	2,171	2,313	2,395	2,407	2,872

Notes: These numbers are consistent with the published "Full Cost by Secretary's Strategic Priorities" section of the Explanatory Notes for fiscal years 2009 through 2012 President's Budget submissions. In the table above, fiscal years 2007 through 2010 amounts are actual; fiscal year 2011 is an estimate from the fiscal year 2012 President's Budget submission. A copy of this section is an addendum to the Questionnaire.

Financial assistance funding is identified on the line titled, "Financial Assistance – Cost Share and Monetary Incentives." Funds associated with technical assistance are on the remaining four lines. A summary of technical assistance funding is provided for the purpose of this questionnaire.

9. Eligibility Criteria

To participate in EQIP, both the land and the applicant must be eligible. Eligible land includes cropland, rangeland, pastureland, private nonindustrial forestland, and other farm or ranch lands. The land must have an identified natural resource concern that poses a serious threat to soil, water, air, or related resources by reason of land use practices, soil type, terrain, climatic conditions, topography, flooding, saline characteristics, or other natural resource factors or natural hazard. Publicly owned land is eligible when the land is under private control for the contract period, and is included in the participant's operating unit, and must have written authorization from the government agency to apply conservation practices. For irrigation-related practices, the land must have a history of actively irrigating the land unit for two out of the last five years.

Applicants must be an agricultural producer, have control of the land for the life of the contract, be in compliance with Farm Bill provisions (highly erodible land, wetland conservation, protection of tenants and sharecroppers), be within appropriate program payment limitations and adjusted gross income requirements, and develop an EQIP plan of operations.

Organics - The Organic Initiative is a nationwide special initiative within EQIP to provide assistance to organic producers as well as producers in the process of transitioning to organic production.

Air Quality Initiative – The Air Quality Initiative is a nationwide special initiative within EQIP to provide assistance to farmers and ranchers to reduce air pollution generated from agricultural operations in areas designated by the EPA as non-attainment areas for ozone and particulate matter.

10. Utilization (Participation) Data
EQIP Application/Contract Status data includes:

FY	Number of Active or Completed Contracts	Financial Assistance Obligated	Total Treated Acres
2005	49,406	$792,091,721	18,080,499
2006	41,190	$784,849,667	21,115,275
2007	41,700	$781,954,270	17,104,234
2008	48,116	$943,407,338	16,944,359
2009	31,960	$731,099,112	12,003,583
2010	36,499	$838,985,212	13,034,363
TOTAL	**248,871**	**$4,872,387,320**	**98,282,313**

11. Duplication or Overlap with Other Programs
EQIP is one of the program structures through which CBWP is delivered. CBWP has more focused priorities by concentrating on water quality and quantity and only in the Chesapeake Bay watershed.

Although similar to EQIP, WHIP has expanded priorities to support fish and wildlife.

Although similar to EQIP in implementation, Agricultural Management Assistance (AMA) is limited to 16 statutorily-designated States that have low participation in Federal Crop Insurance Programs. There are some practices that can be installed through AMA but not EQIP

Although similar to EQIP, Agricultural Water Enhancement Program (AWEP) focuses on ground and surface water conservation and water quality.

Both EQIP and CRP address natural resource concerns, the land uses on which the practices are applied generally are distinct. There could be minimal overlap where CRP enrolls windbreaks, shelterbelts and shallow water impoundments for wildlife.

12. Waste, Fraud and Abuse
An audit by the OIG revealed that participant contracts for the Migratory Bird Habitat Initiative in one Louisiana Parrish received an increased payment rate for the socially disadvantaged designation although those participants were not actually in a socially disadvantaged group. It was identified by OIG that staff inadvertently selected an incorrect payment schedule. It was recommended to adjust the agency's business tools so that the socially disadvantaged designation indicated by the participant would automatically provide the correct payment rate without staff having to manually select various payment schedules for each application. For the improper payments, the agency provided each participant with the option to either return the overpayment amount or to receive a reduction in future scheduled payments.

13. Effect of Administrative Pay-go
None.

1. Program Name

Conservation Innovation Grants (CIG)
Prepared by USDA's NRCS

2. Subprograms/Department Initiatives

None

3. Brief History

First authorized in the 1996 Farm Bill and reauthorized by each subsequent farm bill, CIG is a voluntary program intended to stimulate the development and adoption of innovative conservation approaches and technologies while leveraging Federal investment in environmental enhancement and protection, in conjunction with agricultural production. Under CIG, EQIP funds are used to award competitive grants to non-Federal governmental or non-governmental organizations, Tribes, or individuals.

CIG enables NRCS to work with other public and private entities to accelerate technology transfer and adoption of promising technologies and approaches to address some of the Nation's most pressing natural resource concerns. CIG will benefit agricultural producers by providing more options for environmental enhancement and compliance with Federal, State, and local regulations.

4. Purpose/Goals

CIG provides grants on a competitive basis to stimulate the development and adoption of innovative conservation approaches and technologies while leveraging Federal investment in environmental enhancement and protection, in conjunction with agricultural production.

NRCS expects to incorporate innovative technologies and approaches which result from CIG into NRCS technical manuals, guides, activities, and references, and to transfer these innovations to others in the public sector. CIG projects target innovative on-the-ground conservation, including pilot projects and field demonstrations.

5. Success in Meeting Programmatic Purpose/Goals

The following provides examples of CIG project results:

a) In 2005, the Washington State University was awarded a CIG grant to implement the project titled "Development and Integration of a National Feed Management Education Program and Assessment Tools into a Comprehensive Nutrient Management Plan (CNMP)" in Washington. The intend of the project was to develop a two-tier tool for assessing the impacts of feed management practices on whole farm nutrient balance for animal nutritionists and NRCS staff and TSP advisors; develop the content of a Feed Management chapter for the NRCS Agricultural Waste Management Field Handbook (AWMFH), and develop and implement an education program targeting integration of feed management into a CNMP.

At the end of the project in 2008, the Washington State University (WSU) developed educational materials that are applicable at the national level and provided training for NRCS staff, agricultural professionals, and technical service providers (TSP's) in feed management concepts and practices that minimize import of nutrients to the farm. WSU provided training in the use of computer models and software for strategic ration balancing, whole farm nutrient balance, and nutrient excretion estimates based upon feed and animal performance inputs, and developed a chapter for the NRCS Agricultural Waste Management Field Handbook (AWMFH) on Feed Management. Education materials were used to assist with the understanding of the conservation practice standard (CPS) code 592 Feed Management, feed management plan development and implementation tools, and a decision aid tool were developed (Feed Nutrient Management Economics software – FNMP$).

Workshops have been conducted in the States of Washington, California, Texas, Maryland, Nebraska, Pennsylvania, and Wisconsin. Collaborating States with these trainings included: Idaho, Oregon, Virginia, Indiana, Iowa, and Minnesota. In addition, the national CNMP training program led by Iowa State has incorporated our Feed Management project material into their curriculum. Approximately 70 individuals have become certified through the American Registry of Professional Animal Scientists organization to be feed management planners.

While the funding for this project has ended, the interest and implementation activities are continuing. The project team is available to work with individual States with adoption of CPS 592 Feed Management. In addition, the American Registry of Professional Animal Scientists continues to provide the exam process for certifying that a nutritionist is qualified to develop a nutrient management plan.

The Feed Management chapter for the AWFMH was completed by September 2008. In addition, NRCS is converting a decision aid tool called Feed Management Nutrient Planning Economics (FNMP$) from Excel to an Access data base format. Efforts to provide training for nutritionists and TSPs will continue.

b) The World Wildlife Fund, Inc. (WWF), received a CIG grant in 2005 for a project titled "Market-Based Program for Environmental Services on South Florida Ranch Lands." The main goal of the project was to engage ranchers, public agencies, and public interest groups to design, establish, and install a market-based incentive program for phosphorous reduction in the Lake Okeechobee (Northern Everglades) region; monitored and evaluate the environmental benefits (Phosphorous load reduction) achieved by the water management alternatives installed by the livestock producer participants; and design a scaled-up version of the pilot incentive program for use on a broader scale and communicated results of the field tests through field days, journal articles, workshops, and conferences.

When the project was completed in 2006, eight (8) ranching operations located within the Northern Everglades - Lake Okeechobee region in south Florida were contracted by WWF to developed Water Management Alternatives (WMA's) on formerly drained wetlands that had been converted to pasturelands in an effort to retain surface waters and nutrients. Each rancher had different circumstances for which to implement practices and to demonstrate surface water retention/water quality benefits. Sizes of the rancher WMA's ranged from very small in-pasture systems of 49 acres to two large systems involving 3,748 and 2,500 acres respectively. The average size of the 8 WMA project areas was 1,092 acres.

This CIG project has successfully established a foundation for a Payment for Environmental Services (PES) program that is locally accepted among livestock producers, and local, State and federal agencies. The 8 pilot projects WMA's demonstrated an average of 3 metric tons of phosphorous retained on-site from 0.5 – 2.24 acre-feet of water retained within their CIG project areas. As a result of this CIG project, the first effective PES program was generated on a large regional scale to benefit a globally recognized imperiled ecosystem, the Everglades, and will do so by maintaining agriculture as part of the solution. The CIG PES Program offered a previously unrecognized environmental benefit from the installation of conservation practices for Farm Bill participants located within the Northern Everglades – Lake Okeechobee region.

The project titled "Wisconsin's Dairy and Livestock Air Emission/Odor Project" from Wisconsin Department of Agriculture, Trade, and Consumer Protection (ATCP) was funded in 2005 to implement best management practices to establish the connection between agricultural ambient air concentrations and odor and evaluate various best management practices installed on dairy and other livestock operations to reduce odor, ambient air concentrations, and overall environmental impacts; and to test the odor standards developed as part of the administrative rule to implement Wisconsin's Livestock Siting Law.

Wisconsin Department of Agriculture developed and implemented a plan to evaluate the odor standards in ATCP 51 LIVESTOCK FACILITY SITING, Wisconsin Administrative Code through odor measurements and the relationship with measured ambient air concentrations on six to eight dairy/livestock farms. Evaluation installation of a manure digester to produce methane for production of electricity was completed. An evaluation of post implementation impacts on ambient air concentrations, odors, and water quality was conducted. And results were communicated through the Wisconsin Agricultural Stewardship Initiative (WASI).

This project provided actual air sampling data associated with the implementation of practices on dairies in the Midwest U.S. This data verified that impermeable covers are extremely effective at controlling odors and permeable covers are considerably effective at controlling odors. This data also emphasized the importance of proper design and operation (proper retention time, operational reliability, and addition of substrate material) for anaerobic digesters and that storage lagoons receiving digested manure may require additional management for odors and ammonia. Solids separation with aeration does appear to reduce odors (about 25 percent) and hydrogen sulfide, but may increase ammonia emissions. Overall, the project provided some much-needed data regarding the effectiveness of certain odor control practices. Although the data set is somewhat limited, it does provide some trends and identification of areas for further study.

c) In 2005, the Chesapeake Bay Foundation received a CIG grant for a project titled "Precision Dairy Feeding to Reduce Nutrient Pollution in Pennsylvania's Waters and the Chesapeake Bay" to demonstrate to dairy producers that precision feeding of dairy cows could facilitate reductions in the protein (nitrogen) and phosphorus being fed to dairy animals while maintaining or even improving milk production and possibly improving animal health.

A total of 66 diverse farms were enrolled in the precision dairy feeding program and received technical assistance from the University of Pennsylvania. Forage, feed, and feces samples were collected quarterly from these farms and analyzed to adjust their rations to more precisely meet the nutrient needs of the dairy herds. An additional 33 farms had their forage, feed, and feces sampled and received technical assistance through nutritionists and veterinarians who were trained to precisely balance dairy rations by the University of Pennsylvania. Dairy producers with their nutritionists regularly adjusted rations to maintain and improve production while minimizing manure nutrients.

Based on the finding from these feeding trials, the Pennsylvania State University Cooperative Extension developed the "Dairy Tool" to help farmers identify the greatest opportunities to improve profitability on their farms. Feed management is an essential component of this assessment. In addition, several publications related to feed management were prepared by the project participants in August 2008. Further the findings from the CIG project were presented at various conferences through display of posters and booths. Also, the Chesapeake Bay Foundation created and distributed a brochure entitled "Feed Efficiency: Improving Dairy Production while Cutting Feed Costs" to introduce precision to 13,000 dairy producers who were not participants in the program. Further several workshops and training sessions were conducted in Pennsylvania to present the findings and benefits of precision dairy feeding to dairy farmers throughout Pennsylvania.

Widespread application of the "precision dairy feeding" techniques that were demonstrated and analyzed in this project could be most valuable to NRCS in achievement of lower phosphorus and nitrogen loading rates to receiving streams and water bodies. This could make an especially beneficial contribution to improved water quality in many watersheds with high concentrations of dairy animals. Further this feeding technology could aid development acceptable alternatives in development of CNMP’s. In addition, improvements in animal health through precision dairy feeding would contribute towards addressing health issues related to the animal resource.

The findings through this project relating to the evaluation and promotion of "precision dairy feeding" could the s significant value to NRCS in assisting dairy producers with the development and implementation of resource management systems and the achievement of water quality pollutant loading limits.

6. Annual Budget Authority (FY 2002 – FY 2011)

CIG is not appropriated as a separate program. CIG is an initiative within the Environmental Quality Incentives Program and is reported in the immediately preceding Questionnaire.

7. Annual Outlays (FY 2002 – FY 2011)

CIG is a sub-program of EQIP. Budget Authority and Outlays for CIG are reported as part of EQIP. Since 2004, $125.9 million has been awarded to CIG grant recipients.

8. Annual Delivery Cost (FY 2007 – FY 2011)
CIG is not appropriated separately. It is a subprogram of the EQIP. The program delivery costs for CIG are included in the total EQIP delivery cost and are reflected in the EQIP table.

9. Eligibility Criteria
CIG is available to all eligible applicants in the 50 States, Caribbean Area (Puerto Rico and the Virgin Islands), and the Pacific Islands Area (Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands).

10. Utilization (Participation) Data

FY	# of Applications	# of grants
2004	148	40
2005	175	54
2006	199	63
2007	194	50
2008	260	56
2009	391	52
2010	388	58
2011	411	TBD

11. Duplication or Overlap with Other Programs
There is no duplication or overlapping with USDA conservation programs. Because the purposes and functions of CIG are unique, CIG payments do not overlap with other USDA conservation payments.

12. Waste, Fraud and Abuse
No such instances have to date been identified.

13. Effect of Administrative Pay-go
None.

House Committee on Agriculture
Farm Bill Audit

1. Program Name:
Agricultural Water Enhancement Program (AWEP)
Prepared by USDA's NRCS

2. Subprograms/Department Initiatives:
None

3. Brief History:
AWEP was authorized by the 2008 Farm Bill as a CCC-funded program within EQIP. The Chief of NRCS may enter into AWEP partnership agreements with eligible partners who compete through the Request for Proposals process in any of the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Virgin Islands of the United States, American Samoa, and the Commonwealth of the Northern Mariana Islands.

4. Purpose/Goals:
The purpose of the AWEP is to promote ground and surface water conservation and water quality by helping producers implement agricultural water enhancement activities. NRCS is charged with carrying out AWEP in a manner that optimizes environmental benefits and encourages the following activities with respect to agricultural land:

- Development of a water quality or water conservation plan, including resource condition assessment and modeling;
- Water conservation restoration or enhancement projects, including conversion of dryland farming or to producing commodities that are less water intensive;
- Water quality or quantity restoration or enhancement projects;
- Irrigation system improvement and irrigation efficiency enhancement;
- Activities designed to mitigate the effects of drought; and
- Related activities that the Secretary of Agriculture determines will help achieve water quality or water conservation benefits on agricultural land.

5. Success in Meeting Programmatic Purpose/Goals:
In FY 2010, NRCS obligated approximately $60.8 million in 1,489 new contracts to implement conservation practices on nearly 271 thousand acres of agricultural lands. Partners provided approximately $50.5 million in technical and financial assistance. Through AWEP, the agency approved 28 new partner project areas during FY 2010, and continued to provide support for 63 projects approved during FY 2009.

Approximately 54 percent of the projects approved in FY 2010 are located in the designated high-priority water quantity concern areas. Socially disadvantaged producers received 2.8 percent of all contracts under the program.

For FY 2011 eight new projects in seven States were approved for a total of $4.7 million. Producer enrollment currently underway for FY 2011 projects.

6. Annual Budget Authority (FY 2002 – FY 2011)

FY	Appropriation ($ in millions)
2002	0
2003	0
2004	0
2005	0
2006	0
2007	0
2008	0
2009	73
2010	73
2011	74

7. Annual Outlays (FY 2002 – FY 2011)

FY	Outlays ($ in millions)
2002	0
2003	0
2004	0
2005	0
2006	0
2007	0
2008	0
2009	7
2010	48
2011	70

AWEP FA funds are obligated the year of contract enrollment for the entire multi-year span of the contract. As the years pass, FA for contracted practices is not expended until the practices are installed and inspected for quality control by NRCS personnel. For this reason, FA funds tend to outlay for multiple years after obligation. TA funds obligated in a given year are used for workload generated by the enrollment of new contracts and workload generated by prior year contract implementation. The vast majority of TA funding tends to outlay in the year of obligation. FA funding represents the majority of program budget authority.

8. Annual Delivery Cost (FY 2007 – FY 2011)

Annual delivery cost is reported consistent with the President's 2012 Budget and USDA's Strategic Plan:

	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Agricultural Water Enhancement Program					
Conservation Planning and Technical Consultation	-	-	1,264	1,257	3,757
Conservation Implementation	-	-	4,390	4,367	13,052
Financial Assistance-Program Administration	-	-	3,091	3,075	9,190
Indirect Costs	-	-	2,661	2,648	7,914
Sub-total Technical Assistance	-	-	11,406	11,347	33,913
Financial Assistance - Cost Share & Monetary Incentive	-	-	60,397	60,813	40,087
Total Costs	-	-	71,803	72,160	74,000
FTEs	-	-	66	65	223

Notes: These numbers are consistent with the published "Full Cost by Secretary's Strategic Priorities" section of the Explanatory Notes for fiscal years 2009 through 2012 President's Budget submissions. In the table above, fiscal years 2009 and 2010 amounts are actual; fiscal year 2011 is an estimate from the fiscal year 2012 President's Budget submission. A copy of this section is an addendum to the Questionnaire.

Financial assistance funding is identified on the line titled, "Financial Assistance – Cost Share and Monetary Incentives." Funds associated with technical assistance are on the remaining four lines. A summary of technical assistance funding is provided for the purpose of this questionnaire.

9. Eligibility Criteria:

Eligible partners include: Federally recognized Indian Tribes, States, units of local government, agricultural or silvicultural associations or other groups of such producers such as an irrigation association an agricultural land trust, or other nongovernmental organizations with experience working with agricultural producers.

The Managers' Report to the 2008 Farm Bill provides direction for the Secretary to give priority to producers in six priority areas: The Eastern Snake Plain Aquifer region, Puget Sound, the Ogallala Aquifer, the Sacramento River watershed, Upper Mississippi River Basin, the Red River of the North Basin, and the Everglades.

10. Utilization (Participation) Data

Approximately 46 percent of valid applications were funded during FY 2010. Funding the remaining 54 percent of valid applications would require an additional $70.4 thousand. For FY 2011, requirements for continued funding of previous-year projects will significantly impact the number of new projects awarded and increase the percentage of unfunded applications. This condition is expected to continue to impact the number of new applications funded in future years.

AWEP Application/Contract Status data includes:

FY	Active or Completed Contracts	Financial Assistance Obligated	Total Acres
2009	1704	$60,385,278	488,380
2010	1,489	$60,813,288	270,667

11. Duplication or Overlap with Other Programs

The Agricultural Management Assistance (AMA) also focuses on ground and surface water conservation and water quality. Although similar to AMA in implementation, AWEP is available nationwide. There are some practices that can be installed through AMA but not AWEP.

12. Waste, Fraud and Abuse

No such instances have to date been identified.

13. Effect of Administrative Pay-go

None.

1. Program Name:
Cooperative Conservation Partnership Initiative (CCPI)
Prepared by USDA's Natural Resources Conservation Service

2. Subprograms/Department Initiatives:
None

3. Brief History:
Section 2707 of the 2008 Farm Bill authorized the CCPI as a CCC-funded program. The Chief of NRCS may enter into CCPI partnership agreements with eligible partners who compete through the Request for Proposals process in any of the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Virgin Islands of the United States, American Samoa, and the Commonwealth of the Northern Mariana Islands.

4. Purpose/Goals:
The purposes of the CCPI are to:

- Address conservation priorities involving agriculture and nonindustrial private forest land on a local, State, multi-State, or regional level;
- Encourage producers to cooperate in meeting applicable Federal, State, and local regulatory requirements related to production involving agriculture and nonindustrial private forest land;
- Encourage producers to cooperate in the installation and maintenance of conservation practices that affect multiple agricultural or nonindustrial private forest operations; or
- Promote the development and demonstration of innovative conservation practices and delivery methods, including those for specialty crop and organic production and precision agriculture producers.

NRCS may make EQIP, WHIP, and Stewardship program resources available to owners and operators of agricultural and nonindustrial private forest lands who are located in an approved CCPI project area.

5. Success in Meeting Programmatic Purpose/Goals:
In FY 2010, NRCS obligated approximately $42.3 million in 279 new contracts to implement conservation practices on nearly 1.2 million acres of agricultural lands. Through CCPI, the agency approved 51 new partner project areas during FY 2010, and continued to provide support for 110 projects approved during FY 2009.

For FY 2011 51 new projects were approved for a total of $20 million. Producer enrollment currently underway for FY 2011 projects.

6. Annual Budget Authority (FY 2002 – FY 2011)
CCPI is not appropriated as a separate program. CCPI is a provision for delivering up to six percent of the resources within the WHIP, EQIP, and Stewardship.

7. Annual Outlays (FY 2002 – FY 2011)
CCPI is not appropriated as a separate program. CCPI is an initiative within WHIP and EQIP.

8. Annual Delivery Cost (FY 2007 – FY 2011)
CCPI is not appropriated separately. It is a provision through which several existing programs may be delivered, including the Environmental Quality Incentives Program, Conservation Stewardship Program, and Wildlife Habitat Incentive Program. The program delivery costs for CCPI are included in the delivery costs for EQIP, Stewardship, and WHIP and are reflected in the tables for those programs.

9. Eligibility Criteria:
Eligible partners include: Federally recognized Indian Tribes, States, units of local government, agricultural or silvicultural associations or other groups of such producers such as an irrigation association an agricultural land trust, or other nongovernmental organization with experience working with agricultural producers.

10. Utilization (Participation) Data
Approximately 42 percent of valid applications were funded during FY 2010. Prior year project were funded to approximately 90 percent of the original request.

2010 CCPI - EQIP Application/Contract Status data includes:

	Number of Active and Completed Contracts	Financial Assistance Obligated	Total Treated Acres
Total	1,188	$23,234,738	1,080,901

2010 CCPI - WHIP Application/Contract Status data includes:

	Number of Active and Completed Contracts	Financial Assistance Obligated	Total Treated Acres
Total	106	$654,375	12,549

11. Duplication or Overlap with Other Programs
CCPI is a provision that is delivered through existing programs, including EQIP, Conservation Stewardship Program, and WHIP. CCPI is a way for partners to identify target areas where program funds will be spent.

12. Waste, Fraud and Abuse
No such instances have to date been identified.

13. Effect of Administrative Pay-go
None.

1. Program Name

Wildlife Habitat Incentive Program (WHIP)
Prepared by USDA's NRCS

2. Subprograms/Department Initiatives

None

3. Brief History

WHIP was first authorized in the 1996 Farm Bill and was reauthorized in the 2002 and 2008 Farm Bills. The Chief of NRCS may implement WHIP in any of the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Virgin Islands of the United States, American Samoa, and the Commonwealth of the Northern Mariana Islands.

4. Purpose/Goals

The purpose of WHIP is to help participants develop fish and wildlife habitat on private agricultural land, nonindustrial private forest land, and Indian land.

In order to provide direction to the State and local levels for implementing WHIP and achieving its objective, NRCS has established the following national priorities:
(i) Promote the restoration of declining or important native fish and wildlife habitats.
(ii) Protect, restore, develop, or enhance fish and wildlife habitat to benefit at-risk species.
(iii) Reduce the impacts of invasive species on fish and wildlife habitats.
(iv) Protect, restore, develop, or enhance declining or important aquatic wildlife species' habitats.
(v) Protect, restore, develop, or enhance important migration and other movement corridors for wildlife.

5. Success in Meeting Programmatic Purpose/Goals

In FY 2010

- NRCS enrolled over 4,700 agreements on over 1,000,000 acres.
- The value of the contracts was almost $63 million.
- The average agreement size is 223 acres.
- There were 68 contracts valued at over $3.7 million with American Indian and Alaska Native Lands.
- On average, NRCS agreed to reimburse participants approximately $ 13,000 for each long-term agreement.

6. Annual Budget Authority (FY 2002 – FY 2011)

FY	Appropriation ($ in millions)
2002	15
2003	30
2004	42
2005	47
2006	43
2007	43
2008	85
2009	85
2010	85
2011	85

7. Annual Outlays (FY 2002 – FY 2011)

FY	Outlays ($ in millions)
2002	2
2003	9
2004	14
2005	21
2006	27
2007	31
2008	44
2009	53
2010	58
2011	63

Please explain changes between budget authority and outlays**:**

WHIP FA funds are obligated the year of contract enrollment for the entire multi-year span of the contract. As the years pass, FA for contracted practices is not expended until the practices are installed and inspected for quality control by NRCS personnel. For this reason, FA funds tend to outlay for multiple years after obligation. TA funds obligated in a given year are used for workload generated by the enrollment of new contracts and workload generated by prior year contract implementation. The vast majority of TA funding tends to outlay in the year of obligation. FA funding represents the majority of program budget authority.

8. Annual Delivery Cost (FY 2007 – FY 2011)

Annual delivery cost is reported consistent with the President's 2012 Budget and USDA's Strategic Plan:

Wildlife Habitat Incentives Program	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Conservation Planning and Technical Consultation	1,310	3,554	2,770	2,733	2,769
Conservation Implementation	3,410	7,563	5,895	5,817	5,893
Financial Assistance-Program Administration	3,688	9,086	7,083	6,989	7,080
Indirect Costs	1,919	6,220	4,849	4,785	4,846
Sub-total Technical Assistance	10,327	26,423	20,597	20,324	20,588
Financial Assistance - Cost Share & Monetary Incentive	32,131	57,080	52,146	62,602	64,412
Total Costs	42,458	83,503	72,743	82,926	85,000
FTEs	77	150	128	126	150

Notes: These numbers are consistent with the published "Full Cost by Secretary's Strategic Priorities" section of the Explanatory Notes for fiscal years 2009 through 2012 President's Budget submissions. In the table above, fiscal years 2007 through 2010 amounts are actual; fiscal year 2011 is an estimate from the fiscal year 2012 President's Budget submission. A copy of this section is an addendum to the Questionnaire.

Financial assistance funding is identified on the line titled, "Financial Assistance – Cost Share and Monetary Incentives." Funds associated with technical assistance are on the remaining four lines. A summary of technical assistance funding is provided for the purpose of this questionnaire.

9. Eligibility Criteria

To be eligible for WHIP, the land must be:

- Private agricultural land including cropland, grassland, rangeland, pasture, and other land determined by NRCS to be suitable for fish and wildlife habitat development.
- Nonindustrial private forest land including rural land that has existing tree cover or is suitable for growing trees.
- Indian land.
  - An exception may be made by the Chief in the case of land allotted by the Bureau of Indian Affairs or Indian land where there is sufficient assurance of control.

Applicants are subject to adjusted gross income provisions and must provide NRCS with written evidence of ownership or legal control of the land.

WHIP plays an important role in implementing a number of NRCS special initiatives.

- *Longleaf Pine Initiative*. In Alabama, Florida, Georgia, Louisiana, Mississippi, North Carolina, South Carolina, Texas, and Virginia, WHIP improved the health and extent of the longleaf pine forest ecosystem in ways that benefited both the health of the plant community and wildlife habitat. During FY 2010, NRCS enrolled over 33,000 acres of longleaf pine forest in almost 400 contracts valued at nearly $4.65 million.
- *Lesser Prairie Chicken Initiative*. WHIP enrolled land in Colorado, Kansas, New Mexico, Oklahoma, and Texas to keep this candidate species from being listed as threatened and endangered under the Endangered Species Act, while also improving grazing and wildlife habitat. During FY 2010, NRCS enrolled over 98,000 acres in these States in 138 WHIP contracts valued at more than $3.8 million.
- *New England-New York Forestry Initiative*. WHIP expanded stewardship opportunities for forest lands and wildlife in the New England States of Connecticut, Maine, Massachusetts,

New Hampshire, New York, Rhode Island, and Vermont. During FY 2010, NRCS enrolled over 48,500 acres in these States in more than 300 WHIP contracts valued at more than $4.6 million.

- *Sage Grouse Initiative*. In 11 States (California, Colorado, Idaho, Montana, Nevada, North Dakota, Oregon, South Dakota, Utah, Washington, and Wyoming) WHIP implemented conservation practices that will reduce threats to sage grouse habitat; these practices are designed both to keep this candidate species from being listed as threatened and endangered and to provide grazing land for ranches. During FY 2010, NRCS enrolled almost 90,000 acres in these States in 37 WHIP contracts valued at more than $3.8 million.

10. Utilization (Participation) Data

Approximately 66 percent of valid applications were funded during fiscal year 2010. Funding the remaining 44 percent would require an additional $44 million. During fiscal year 2011 WHIP funding was reduced by $12 million which will increase the number of unfunded valid applications for this fiscal year.

WHIP Application/Contract Status data includes:

FY	Number of Active and Completed Contracts	Financial Assistance Obligated	Treated Acres
2005	3,333	$33,246,702	454,091
2006	2,717	$31,464,158	324,954
2007	2,107	$31,494,465	357,699
2008	3,495	$57,221,029	646,491
2009	3,706	$51,998,722	812,497
2010	4,731	$62,862,480	1,054,095

11. Duplication or Overlap with Other Programs

WHIP provides for developing, restoring, and enhancing wildlife habitats which can also be done under EQIP. EQIP has one national priority in regard to at-risk species habitat conservation as does WHIP. However, WHIP has four additional priorities for fish and wildlife.

EQIP is agriculturally support based while WHIP is fish and wildlife habitat support based. EQIP requires lands to be in production agriculture to be eligible. Lands can be in agriculture or have the potential to be in agriculture to be eligible for WHIP. Public lands connected with eligible lands are eligible for EQIP but not for WHIP.

CRP enrolls land to create wildlife habitat. All of the lands eligible for CRP could be enrolled in WHIP if they fall within the WHIP priority areas but not all lands eligible for WHIP could be enrolled in CRP.

12. Waste, Fraud and Abuse

An audit by the Office of Inspector General (OIG) revealed that participant WHIP contracts for the Migratory Bird Habitat Initiative in one Louisiana Parrish received an increased payment rate for the socially disadvantaged designation although those participants were not actually in a socially disadvantaged group. It was identified by OIG that staff inadvertently selected an incorrect payment schedule. It was recommended to adjust the agency's business tools so that the socially disadvantaged designation indicated by the participant would automatically provide the correct payment rate without staff having to manually select various payment schedules for each application. For the improper payments, the agency provided each participant with the option to either return the overpayment amount or to receive a reduction in future scheduled payments.

13. Effect of Administrative Pay-go

None.

1. Program Name
Agricultural Management Assistance (AMA)
Prepared by USDA's NRCS

2. Subprograms/Department Initiatives
None

3. Brief History
AMA was originally authorized under the Agricultural Risk Protection Act of 2000, Title I, Section 133, Public Law 106-224, on June 22, 2000. This title was amended by the 2002 Farm Bill and the 2008 Farm Bill.

AMA is available in 16 States where participation in the Federal Crop Insurance Program is historically low: Connecticut, Delaware, Hawaii, Maine, Maryland, Massachusetts, Nevada, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Utah, Vermont, West Virginia, and Wyoming.

4. Purpose/Goals
AMA provides financial assistance payments to agricultural producers to voluntarily address issues such as water management, water quality, and erosion control by incorporating conservation practices into their farming operations.

5. Success in Meeting Programmatic Purpose/Goals
AMA currently has over 660 contracts in implementation and a continuing backlog of applications that indicates strong support among producers for the program. At the end of FY 2010, AMA had a backlog of 767 applications, with an estimated contract value of $5.1 million, covering over 9,500 acres.

AMA provides many producers a first-time opportunity to address natural resource concerns on their lands. For instance, many producers have not been able to participate in EQIP because they do not meet the eligibility criterion that land must have been irrigated for two of the previous five years to receive EQIP funding. A number of these EQIP-ineligible producers are small-acreage or specialty-crop farming operations that provide high dollar value products to the general public. By helping to mitigate the risks associated with these kinds of agricultural enterprises, AMA helps agriculture remain a valuable segment of local economies.

6. Annual Budget Authority (FY 2002 – FY 2011)

FY	Appropriation ($ in millions)
2002	0
2003	0
2004	14
2005	14
2006	5
2007	5
2008	8
2009	8
2010	8
2011	8

7. Annual Outlays (FY 2002 – FY 2011)

FY	Outlays ($ in millions)
2002	0
2003	0
2004	2
2005	7
2006	6
2007	7
2008	5
2009	5
2010	6
2011	6

AMA FA funds are obligated the year of contract enrollment for the entire multi-year span of the contract. As the years pass, FA for contracted practices is not expended until the practices are installed and inspected for quality control by NRCS personnel. For this reason, FA funds tend to outlay for multiple years after obligation. TA funds obligated in a given year are used for workload generated by the enrollment of new contracts and workload generated by prior year contract implementation. The vast majority of TA funding tends to outlay in the year of obligation. FA funding represents the majority of program budget authority.

8. Annual Delivery Cost (FY 2007 – FY 2011)

Annual delivery cost is reported consistent with the President's 2012 Budget and USDA's Strategic Plan:

	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Agricultural Management Assistance					
Conservation Planning and Technical Consultation	458	147	150	147	212
Conservation Implementation	2,386	457	465	457	659
Financial Assistance-Program Administration	940	433	441	433	624
Indirect Costs	775	457	141	165	238
Sub-total Technical Assistance	4,559	1,494	1,197	1,202	1,733
Financial Assistance - Cost Share & Monetary Incentive	-	5,756	6,181	6,048	5,767
Total Costs	4,559	7,250	7,378	7,250	7,500
FTEs	27	9	9	12	33

Notes: These numbers are consistent with the published "Full Cost by Secretary's Strategic Priorities" section of the Explanatory Notes for fiscal years 2009 through 2012 President's Budget submissions. In the table above, fiscal years 2007 through 2010 amounts are actual; fiscal year 2011 is an estimate from the fiscal year 2012 President's Budget submission. A copy of this section is an addendum to the Questionnaire.

Financial assistance funding is identified on the line titled, "Financial Assistance – Cost Share and Monetary Incentives." Funds associated with technical assistance are on the remaining four lines. A summary of technical assistance funding is provided for the purpose of this questionnaire.

9. Eligibility Criteria

Applicants must own or control the land within an identified AMA State and comply with adjusted gross income limitation provisions. Eligible land includes cropland, rangeland, grassland, pastureland, non-industrial forestland, and other private land that produces crops or livestock where risk may be mitigated through operation diversification or change in resource conservation practices.

10. Utilization (Participation) Data

Approximately 36 percent of valid applications were funded during FY 2010. Funding the additional remaining 64 percent of valid applications would require an additional $5.1 million. The FY 2010 funded applications covered over 11,000 acres.

AMA Application/Contract Status data includes:

Fiscal Year	Number of Active and Completed Contracts	Financial Assistance Obligated	Total Treated Acres
2005	766	$9,578,046	74,255
2006	275	$3,718,549	13,328
2007	0	$0	0
2008	276	$5,756,087	33,202
2009	214	$6,179,956	13,875
2010	426	$6,048,438	11,102
TOTAL	1,957	$30,942,815	145,762

11. Duplication or Overlap with Other Programs
The priorities of AMA are the same as for EQIP. There are some practices that can be implemented under AMA that cannot be under EQIP.

12. Waste, Fraud and Abuse
No such instances have to date been identified.

13. Effect of Administrative Pay-go
None.